

TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1911.

No. 107.

THE NEW MARSHALL ENGINE COMPANY AND FRANK
J. MARSHALL, PLAINTIFFS IN ERROR.

THE MARSHALL ENGINE COMPANY, BY ANDREW VAN
BLAHOOM, ITS RECEIVER.

IN ERROR TO THE SUPERIOR COURT OF THE STATE OF
MASSACHUSETTS.

FILED JULY 21, 1909.

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a UNITED STATES OF AMERICA, ss:

[Seal of the Circuit Court, Massachusetts.]

The President of the United States to the Honorable the Judges of the Superior Court of the Commonwealth of Massachusetts, holden at Greenfield, within and for the County of Franklin, Greeting:

Because, in the record and proceedings, as also in the rendition of the judgment of a plea which is in the said Superior Court before you, or some of you, being the highest court of law or equity of the State of Massachusetts in which a decision could be had in the suit between The Marshall Engine Company, by Andrew Van Blarcom, its Receiver, Plaintiff and The New Marshall Engine Company and Frank J. Marshall, Defendants, in a bill in equity, wherein was drawn in question the validity of a treaty or statute of, or an authority exercised under, the United States, and the decision was against their validity, or wherein was drawn in question the validity of a statute of, or an authority exercised under, said State on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision was in favor of such their validity; or wherein was drawn in question the construction of a clause of the Constitution, or of a treaty, or statute of, or commission held under, the United States, and the decision was against the title, right, privilege, or exemption, specially set up or claimed under such clause of the said Constitution, treaty, statute, or commission, a manifest error hath happened, to the great damage of the said The New Marshall Engine Company and Frank J. Marshall, as by their complaint appears.

We being willing that error, if any hath been, should be duly corrected, and full and speedy justice done to the parties aforesaid in this behalf, do command you, if judgment be therein given, that then under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States, together with this writ, so that you have the same in the said Supreme Court, at Washington, within thirty days from the date hereof, that the record and proceedings aforesaid being inspected, the said Supreme Court may cause further to be done therein to correct that error, what of right, and according to the laws and customs of the United States should be done.

Witness, the Honorable Melville W. Fuller, Chief Justice of the United States, the twenty-fourth day of June, in the year of our Lord one thousand nine hundred and nine.

ALEX. H. TROWBRIDGE,
*Clerk of the Circuit Court of the United States,
District of Massachusetts,*
By L. C. TUCKER, *Deputy Clerk.*

Allowed by
JOHN A. AIKEN,
Chief Justice of the Superior Court.

b COMMONWEALTH OF MASSACHUSETTS,

Franklin, ss:

And now, here, the Judges of the Superior Court of the Commonwealth of Massachusetts, make return of this writ by annexing hereto and sending herewith, under the seal of the said Superior Court, a true and attested copy of the record and proceedings in the suit within mentioned, with all things concerning the same, to the Supreme Court of the United States, as within commanded.

In Testimony Whereof, I Clifton L. Field, Clerk of said Superior Court have hereto set my hand and the seal of said Court this 17th day of July A. D. 1909.

[Seal the Superior Court.]

CLIFTON L. FIELD, *Clerk.*

1 COMMONWEALTH OF MASSACHUSETTS,

Franklin, ss:

To all persons to whom these presents shall come, Greeting:

Know ye, That among the Records of our Superior Court, sitting at Greenfield, in said County of Franklin for the hearing of all causes, matters and things cognizable by a Superior Court, between the second Monday of March, in the year one thousand nine hundred and nine, and the second Monday of July, in the same year, it is thus contained, the following being the entire record in the case:—

2 MARSHALL ENGINE COMPANY, a Corporation Duly Organized under the Laws of the State of New Jersey, by Andrew Van Blarcom, of Newark, in the County of Essex and State of New Jersey, its Receiver, Complainant in Equity,
against

NEW MARSHALL ENGINE COMPANY, of Montague, in the County of Franklin and Commonwealth of Massachusetts, a Corporation Duly Organized under the Laws of said Commonwealth, and Frank J. Marshall, of Montague Aforesaid, Respondents.

The record of proceedings in the Superior Court being as follows, to wit:—

Certificate of Clerk.

COMMONWEALTH OF MASSACHUSETTS,

Franklin, ss:

Superior Court.

I, Clifton L. Field, clerk of the Superior Court for said county of Franklin, having by law the custody of the seal and all the records, books, documents, and papers of or appertaining to said court, hereby certify the papers hereto annexed to be true copies of papers appertaining to said court, and on file and of record in the office of said

court, to wit:—the bill of complaint, order of notice and return, restraining order and return, appearance, motion to take bill pro confesso, answer, motion for dissolution of injunction, appearance, replication, appearance, report of special master, with objections thereto, motion for confirmation of master's report, motion for attachment for contempt, motion to dismiss and order, notice of appeal, interlocutory decree in re attachment for contempt, motion for final decree and final decree, motion for find decree and final decree, disappearance, appearance, notice of appeal and appeal, rescript, final decree, decree in re attachment for contempt; also the docket entries.

In witness whereof I have hereunto set my hand and the seal of said court, this sixteenth day of July, in the year of our Lord one thousand nine hundred and nine.

[Seal of the Superior Court.]

CLIFTON L. FIELD, *Clerk.*

4

Bill of Complaint.

In the Superior Court of the State of Massachusetts, County of Franklin.

THE MARSHALL ENGINE COMPANY, by ANDREW VAN BLARCOM, Its Receiver, Plaintiff,

vs.

THE NEW MARSHALL ENGINE COMPANY and FRANK J. MARSHALL, Defendants.

Complaint.

The Marshall Engine Company, by Andrew Van Blarcom, its Receiver, complains of the defendants and alleges:

1. That on or about the 13th day of September, 1902, the "Marshall Engine Company", the plaintiff herein, was duly incorporated under the laws of the State of New Jersey, with a capital stock of fifty thousand dollars (\$50,000), divided into five hundred shares of the par value of one hundred dollars (\$100) each. That of said capital stock fifty shares were preferred stock, and the balance, four hundred and fifty shares, were common stock. That the said "Marshall Engine Company" was organized for the purpose of manufacturing, repairing, buying, selling and otherwise dealing in and with a refining engine, known as the "Marshall Perfecting Engine", which said engine was the invention of one Frank J. Marshall, of the Town of Montague, Franklin County, Massachusetts, a defendant herein, from whom the said "Marshall Engine Company" was named, and by whom the said company was organized; and that it was the intention and purpose of the said "Marshall Engine Company" and of the said Frank J. Marshall, that the said "Marshall Engine Company" should acquire the good-will of the business carried on by the said Frank J. Marshall under the firm

name of "F. J. Marshall", together with the exclusive use of any words indicating that the business was carried on in succession or continuation thereof; trade marks and trade names connected therewith, and the entire right, title and interest in and to any and all of the inventions of the said Frank J. Marshall, in any way relative to or connected with, the said refining engine known as the "Marshall Perfecting Engine", and such Letters Patent of the United States as might be issued therefor.

II. That on or about the 21st day of June, 1905, the "New Marshall Engine Company", a defendant herein, was duly incorporated by the said Frank J. Marshall, under the Business Corporation Laws of the Commonwealth of Massachusetts, with a capital stock of fifty thousand dollars, (\$50,000), divided in five hundred shares of the par value of one hundred dollars (\$100) each. That of said capital stock fifty shares were preferred stock, and the
6 balance, four hundred and fifty shares, were common stock. That the said "New Marshall Engine Company" as appears from its charter, was organized for the purpose of acquiring by purchase or otherwise, "Patent Number 725,349 of the United States of America, for a new and improved device in a refining engine known as the "Marshall Perfecting Engine", and to engage in the business of making, vending, filling and selling the devices and machines covered by the said "patent"; and that the said company has at all times since its incorporation maintained an office for the transaction of business in the Town of Montague, County of Franklin, State of Massachusetts.

III. That on or about the 13th day of June, 1905, the Court of Chancery, in the State of New Jersey, in an action wherein one Clarence M. Abbe, of Greenfield, Franklin County, Massachusetts, and one Fanny W. Abbe, of Greenfield, Franklin County, Massachusetts, were the complainants, and the said "Marshall Engine Company" was the defendant, made a decree appointing one Andrew Van Blarcom, of Newark, New Jersey, receiver of the said "Marshall Engine Company", an insolvent corporation, with full power to demand, sue for, collect, preserve, and take into his possession, all the property, effects and choses in action of the said "Marshall Engine Company", and enjoining and restraining the officers and agents of the said
7 "Marshall Engine Company" from dealing in or interfering with the same; that the said Andrew Van Blarcom has duly and qualified and is such receiver.

IV. That on or about the 21st day of August, 1905, the Superior Court of the State of Massachusetts, in the County of Franklin, in an action wherein the said Fanny W. Abbe was a complainant, and the said "Marshall Engine Company" was the defendant, made a decree appointing the said Andrew Van Blarcom the receiver ancillary to the receiver appointed for the said "Marshall Engine Company" in the Court of Chancery, State of New Jersey, with full power to collect, get in and receive, the outstanding debts and moneys due to, or on account of the business of the said "Marshall Engine Company", and also to receive and take possession of, all the stock-in-trade, effects and property of every nature and kind, of or belonging to the said

"Marshall Engine Company" within the State of Massachusetts; that the said Andrew Van Blarcom has duly qualified and is such receiver.

V. And the plaintiff further shows, upon information and belief, that, at the time of the incorporation of the said "Marshall Engine Company", or prior thereto, the said "Marshall Engine Company", being in need of funds to carry on its business of manufacturing, buying, selling and otherwise dealing in and with a refining engine known as the "Marshall Perfecting Engine", which said business had been previously carried on by the said Frank J. Marshall, under the firm name of "F. J. Marshall," it was agreed by the said Frank J. Marshall with the said Clarence M. Abbe and Fanny W. Abbe, that they, said Clarence M. Abbe and Fanny W. Abbe, were to loan the said "Marshall Engine Company" from time to time, such sums of money as might be necessary to enable it to carry on its objects and business, and furthermore that they, the said Clarence M. Abbe and Fanny W. Abbe, were to purchase all or nearly all of the said fifty shares of preferred capital stock of the said "Marshall Engine Company", which said shares of capital stock were to be sold by the said "Marshall Engine Company", for the purpose of raising the necessary funds to carry on the objects and the business of the said "Marshall Engine Company", the said Frank J. Marshall agreeing with the said Clarence M. Abbe and Fanny W. Abbe to make the transfer of the property and rights hereinafter referred to, to the said "Marshall Engine Company".

VI. And the plaintiff further shows, upon information and belief, that in order to make the said fifty shares of the preferred capital stock of the said company salable, and to induce the said Clarence M. Abbe, and Fanny W. Abbe to purchase and pay for the same, and also to loan money to the said company, which purchase, payment, and loans would immediately greatly increase the value of the capital stock of the said "Marshall Engine Company", and would enable the business of the said company to be prosecuted to advantage, the said Frank J. Marshall, on or about the 15th day of September, 1902, in consideration of the issue to him by the said "Marshall Engine Company" of the said four hundred and fifty shares of the common capital stock of the said "Marshall Engine Company", duly assigned, by an instrument in writing, a copy of which is hereto annexed, and made a part hereof, marked Exhibit A, to the said "Marshall Engine Company", its successors and assigns, all his right, title and interest in and to "United States Letters Patent, No. 342,802 for an improvement in pulp-beating engines, issued to Frank J. Marshall, June 1st, 1886, and all improvements thereon and renewals of the same * * * the good-will of the business carried on by the vendor under the firm name of "F. J. Marshall", the head office being located at 309 Broadway, New York City, together with the exclusive use of any words indicating that the business is carried on in succession or continuation thereof, and trade marks and trade names connected therewith; * * * patents, * * * implements and interests in which the vendor is entitled in connection with said business; * * * also all other property and rights of whatsoever nature or

kind used by the vendor in its said business", and in and by the said assignment, the said Frank J. Marshall further covenanted and agreed with the said company, its successors and assigns, "to execute and do all such further assurances and things as shall reasonably be required by the company for vesting in it the property and rights agreed to be hereby sold, and giving to it the full benefit of this agreement", which said assignment was not recorded in the Patent Office of the United States at Washington, within three months from the execution thereof, owing to the willful carelessness and negligence of the said Frank J. Marshall.

VII. And the plaintiff further shows, upon information and belief, that on or about the second day of October, 1902, twenty shares of the preferred capital stock of the said "Marshall Engine Company" were duly issued by the said company to the said Clarence M. Abbe, for money advanced by the said Clarence M. Abbe to the said Company, in accordance with his agreement and understanding with the said Frank J. Marshall, as hereinbefore mentioned; that on or about the fifth day of October, 1903, twenty shares of the preferred capital stock of the said "Marshall Engine Company" were duly issued to the said Fanny W. Abbe, for money advanced by the said Fanny W. Abbe to the said company, in accordance with her agreement and understanding with the said Frank J. Marshall, as hereinbefore mentioned; that the said Clarence M. Abbe and the said Fanny W. Abbe each loaned large sums of money to the said company in accordance with their agreement and understanding with the said Frank J. Marshall, as hereinbefore mentioned; and that on or about the fifteenth day of September, 1902, the said "Marshall Engine Company," duly issued and delivered four hundred and fifty shares of its common capital stock to the said Frank J. Marshall and his nominees, in accordance with the terms and conditions of the assignment, hereinbefore referred to and marked Exhibit A.

VIII. And the plaintiff further shows, upon information and belief, that heretofore and before the first day of June, 1886, the said Frank J. Marshall had invented a certain new and useful improvement in refining engines, which had not previously been known or used by others, and was not in public use, or on sale with his consent or allowance; that the said Frank J. Marshall thereupon and on the twelfth day of February, 1886, made application in the form prescribed by law, praying that Letters Patent might be issued to him therefor, and did in other things comply with the statutes of the United States, in such case made and provided, and such proceedings were thereupon had that the United States of America did issue its Letters Patent under the seal of the Patent Office, Serial No. 342,802, and bearing date June 1st, 1886, whereby it granted, according to law, unto the said Frank J. Marshall, his heirs and assigns, the full and exclusive right and liberty of making, constructing, using and vending to others to be used, the said improvement in refining engines, a description whereof was annexed to and made a part of said Letters Patent, for the term of seventeen years from the date thereof, to which said Letters Patent, or a duly

certified copy thereof, now here, ready to be produced, the plaintiff begs to refer.

IX. And the plaintiff further shows, upon information and belief, that subsequent to the issuing of the said Letters Patent, first aforesaid, but prior to the fourteenth day of April, 1903, the said Frank J. Marshall had invented a certain further, new and useful improvement in refining engines, which was an improvement on the invention or improved refining engine described in the specifications attached to the said Letters Patent first aforesaid, which had not previously been known or used by others, and was not in public use or on sale, with his consent or allowance; that the said Frank J. Marshall thereupon and on the sixteenth day of July, 1902, made application in the form prescribed by law, praying that Letters Patent might be issued therefor, and did in other things comply with the statutes of the United States, in such case made and provided, and thereupon the United States of America did issue its Letters Patent, under the seal of the Patent office, Serial No. 725,349 and bearing date April 14th, 1903, whereby it granted, according to law, unto the said Frank J. Marshall, his heirs and assigns, the full and exclusive right and liberty of making, constructing, using, and vending

to others to be used, the said improvement in refining engines,
13 a description whereof was annexed to and made a part of the said Letters Patent, for the term of seventeen years from the date thereof, to which said Letters Patent, or a certified copy thereof, now here, ready to be produced, the plaintiff begs to refer.

X. And the plaintiff further shows, upon information and belief, that on or about the eighth day of October, 1904, the said Frank J. Marshall, upon the request and at the cost of the said "Marshall Engine Company," and with the express intention and purpose of vesting absolutely in the said company, its successors and assigns, any and all patent rights and interests secured to the said company by the assignment hereinbefore referred to, marked Exhibit A, and more particularly speaking, any and all improvements at any time heretofore made by the said Frank J. Marshall upon the Letters Patent of the United States first aforesaid, and in and to, any and all inventions of the said Frank J. Marshall, in any way relative to or connected with, the said refining engine known as the "Marshall Perfecting Engine," and such Letters Patent of the United States as might be issued therefor, duly assigned, by an instrument in writing, a copy of which is hereto annexed and made a part hereof, marked Exhibit B, to the said "Marshall Engine Company," its successors and assigns, all his right, title and interest in and to "Letters Patent

of the United States of America, for an improvement in
14 refining engines, which Letters Patent are numbered 342,802, and all further improvements thereon and renewals of the same," which said assignment was duly recorded in the Patent office of the United States, at Washington, on the tenth day of October, 1904.

XI. And the plaintiff further shows, upon information and belief, that the improvements, as made by the said Frank J. Marshall, and for which the Letters Patent last aforesaid were issued to him, were

improvements upon the said refining engine described in and secured to the said Frank J. Marshall, his heirs and assigns, by the Letters Patent first aforesaid, and assigned to the said "Marshall Engine Company" as aforesaid, and that the said "Marshall Engine Company," by virtue of the assignments aforesaid, has the exclusive right to make, construct, use and vend, such improvements and improved refining engine with- the United States of America, and is entitled to an assignment of the same for such territory in the usual form.

XII. And the plaintiff further shows, upon information and belief, that on or about the 22nd day of June, 1905, without the knowledge or consent of the said "Marshall Engine Company," the said Frank J. Marshall, in violation of his said agreement and understanding with the said "Marshall Engine Company" and the said Clarence M. Abbe and Fanny W. Abbe, assigned, by an instrument in writing, a copy of which is hereto annexed, and made a part hereof, marked Exhibit C, all his right, title and interest in and to, "Letters Patent of the United States" for a certain invention, being an improvement in Perfecting Engines, No. 725,349," to the said "New Marshall Engine Company," its successors and assigns, in consideration of the issue of four hundred and ninety-nine shares of its capital stock to the said Frank J. Marshall, or his nominees.

XIII. And the plaintiff further shows, upon information and belief, that the said "New Marshall Engine Company," without the knowledge or consent of the said "Marshall Engine Company," received and accepted the said written assignment of the said Patent, No. 725,349, with full and complete knowledge of the assignments hereinbefore referred to, made and executed by the said Frank J. Marshall to the said "Marshall Engine Company," and of the agreement and understanding by and between the said Frank J. Marshall and the said Clarence M. Abbe and Fanny W. Abbe, as hereinbefore mentioned.

XIV. And the plaintiff further shows, upon information and belief, that the said "New Marshall Engine Company" and the said Frank J. Marshall, have refused to transfer and assign said Letters Patent, No. 725,349 to the said "Marshall Engine Company," and further shows, that it fears that the said "New Marshall Engine Company" or the said Frank J. Marshall, may encumber said Letters Patent, or convey the same or rights therein, to other persons, and that the said "Marshall Engine Company" will be irreparably injured by the making of any such encumbrance, of the said Letters Patent, or the granting of any rights thereunder, by the said "New Marshall Engine Company," or the said Frank J. Marshall.

Wherefore, the plaintiff prays, that the said "New Marshall Engine Company," its successors and assigns, or the said Frank J. Marshall, or both of them, as the case may require, their agents, attorneys and servants, and all persons acting or claiming under any of them, may be enjoined and restrained from assigning or disposing of any right, title or interest in or to the said Letters Patent, No. 725,349.

That the said "New Marshall Engine Company" its successors and assigns, or the said Frank J. Marshall, or both of them, as the case may require, and all persons claiming under any of them, may be compelled to execute and deliver to the said "Marshall Engine Company," an assignment in due form, so as to entitle the same to be recorded in the Patent Office of the United States, at Washington, of all its, his or their interest, in and to the said Letters Patent, No. 725,349, and the exclusive right to make, construct, use and vend to others to be used, the improvements and the improved refining engine in the United States of America.

That the said "New Marshall Engine Company," its successors and assigns, or the said Frank J. Marshall, or both of them, as the case may require, their agents, attorneys and servants, and all persons acting or claiming under any of them, may be enjoined and restrained from engaging in the business of making, vending, filling, selling and otherwise dealing in and with, the devices and machines covered by Patent No. 725,349 of the United States of America, for a new and improved device in refining engines known as the "Marshall Perfecting Engine," and that the plaintiff may have judgment for its costs in this action and such other, further or different relief in the premises as the nature of the case may require, and as shall be agreeable to equity and good conscience.

BOND & BABSON,
Attorneys for Plaintiff.

27 Pine Street, Borough of Manhattan, New York City.

FREDERICK L. GREENE,
Of Counsel.

Greenfield, Massachusetts.

18 STATE OF NEW JERSEY,
County of Essex, ss:

Andrew Van Blarcom, of Newark, New Jersey, being duly sworn, says that he has read the foregoing petition subscribed by him, and knows the contents thereof, and that the same is true to his own knowledge, except as to the matters therein stated to be alleged on information and belief, and as to those matters he believes it to be true.

ANDREW VAN BLARCOM.

Sworn & subscribed before me this 21st day of October 1905.

[NOTARIAL SEAL.]

LESTER PACH,
Notary Public of N. J.

"EXHIBIT A."

The Marshall Engine Company.

Agreement for the Purchase of Property.

An agreement made this 15th day of September, 1902, by and between F. J. Marshall (hereinafter called the "vendor"), of the first part, and "Marshall Engine Company" a corporation organized under the laws of New Jersey (hereinafter called the "company"), of the second part.

Whereas the vendor is the owner of the property and rights hereinafter described; and

Whereas the company has been duly organized with an authorized capital stock of \$50,000, divided into shares of the par value of \$100; and

Whereas the board of directors of the company have ascertained, adjudged and declared that the said property and rights are of the fair value of Forty-five Thousand dollars (\$45,000) and that the acquisition thereof is necessary for the business of the company and to carry out its contemplated objects.

Now therefore this agreement witnesseth:

1. That the vendor has sold, assigned, transferred and set over and does hereby sell, assign, transfer and set over unto the company, its successors and assigns, all his right, title and interest in and to the following described property, to wit:

United States Letters Patent, No. 342,802 for improvement in Engines issued to Frank J. Marshall June 1, 1886, and all improvements thereon and renewals of the same.

The good will of the business carried on by the vendor under the firm name of "F. J. Marshall," the head office being located at 309 Broadway, New York City, together with the exclusive use of any words, indicating that the business is carried on in succession or continuation thereof and trade marks and trade names connected therewith.

Also plants, machinery, office furniture, books of account and otherwise, patents, licenses, stock in trade, implements and interests in which the vendor is entitled in connection with such business.

Also all book or other debts owing to them and the full benefit of all security therefor.

Also all other property and rights of whatsoever nature or kind used by the vendor in its said business.

II. The company agrees, in consideration of said sale and upon the delivery of said property to it, to issue to the vendor and his nominees as hereinafter provided, and to such other nominees as the vendor shall in writing hereafter direct, at such times and in such amounts as they shall respectfully direct, certificates of stock of the company to the aggregate amount of four hundred and fifty shares, and said shares shall be deemed to be and are hereby declared to be full-paid shares and not liable to any further

call, and the holders of such stock shall not be liable to any further payment thereon.

III. Said stock shall be issued as follows:

To the vendor.	Shares.
F. J. Marshall.....	447
H. H. Picking.....	1
Wm. R. Roland.....	1
F. L. Miner.....	1

IV. The delivery of the certificates of said shares to the above named parties and their respective receipts for the same shall be a full discharge of each of the parties hereto to the extent thereof.

V. The vendor hereby covenants and agrees with the company, on the request and at the cost of the company, to execute and do all such further assurances and things as shall reasonably be required by the company for vesting in it the property and rights agreed to be hereby sold, and giving to it the full benefit of this agreement.

Witness the hand and seal of the vendor and the corporate seal of the company, attested by the signatures of its officers thereunto duly authorized, the day and year first above written.

F. J. MARSHALL
MARSHALL ENGINE COMPANY,
By FRANK R. SERLES, *President*.

[Corporate Seal.]

Attest:

WALTER H. BOND, *Sec'y*.

In presence of:—

C. M. ABBE.

23

EXHIBIT B.

Whereas I, F. J. Marshall, of Turner's Falls, in the County of Franklin, State of Massachusetts, did obtain Letters Patent of the United States of America for an improvement in engines, which Letters Patent are numbered 342,802, and bear date the first day of June, in the year one thousand eight hundred and eighty-six; and

Whereas on the Fifteenth day of September, in the year One thousand nine hundred and two, for value received, I sold, assigned, transferred and set over unto Marshall Engine Company, a corporation of the State of New Jersey, all my right, title, and interest in and to said patent, and "all improvements thereon and renewals of the same"; and

Whereas said assignment was not recorded in the Patent Office within three months from the date thereof; and

Whereas by the terms and conditions of the aforesaid assignment I obligated myself "upon the request and at the cost of the company, to execute and do all such further assurances and things as shall

reasonably be required by the company for vesting in it the property and rights agreed to be hereby sold, and giving to it the full benefit of this agreement"; and

Whereas the said Marshall Engine Company has requested that a new assignment of said patent be made by me:

24 Now therefore, To all whom it may concern, be it known,

That in consideration of the sum of one dollar to me in hand paid, the receipt of which is hereby acknowledged, I, the said F. J. Marshall, have sold, assigned and transferred, and by these presents do sell, assign and transfer unto the said Marshall Engine Company, the whole right, title and interest in and to the said improvement in engines, and in and to the Letters Patent therefor aforesaid, and all further improvements thereon and renewals of the aforesaid patent: the same to be held and enjoyed by the said company for its own use and behoof, and for the use and behoof of its successors and assigns, to the full end of the term for which said Letters Patent are or may be granted, as fully and entirely as the same would have been held and enjoyed by me had no assignment been made.

In testimony whereof I have hereto set my hand and affixed my seal in the City of New York on the Eighth day of October, 1904.

F. J. MARSHALL.

In presence of:

JAMES P. FRANKLIN.

WALTER H. BOND.

STATE OF NEW YORK,

County of New York, ss:

On the eighth day of October in the year one thousand
25 nine hundred and four, before me personally came F. J. Marshall to me known and known to me to be the same person described in and who executed the foregoing instrument and acknowledged to me that he executed the same.

WALTER H. BOND,

Notary Public in and for the County of Kings, No. 242.

Certificate filed in N. Y. Co.

Whereas: I, Frank J. Marshall, of Montague, County of Franklin and Commonwealth of Massachusetts have taken out and am the owner of Letters Patent of the United States for a certain invention, being an improvement in Perfecting Engines, Number 725,349.

And whereas New Marshall Engine Company, a corporation organized under the Laws of Massachusetts with a usual place of business at said Montague is desirous of acquiring the entire interest in the same:

Now, therefore, to all whom it may concern; Be it known, that for

and in consideration of the sum of one dollar to me in hand paid, and other good and valuable considerations the receipt of all which is hereby acknowledged, I the said Frank J. Marshall, do hereby sell, assign, transfer, and set over unto the said Marshall Engine Company, its successors and assigns, all the right, title, and interest, claim or demand, of any charter or description whatsoever, legal or equitable, which I have or may have in, to, under, or by virtue of the said invention, and Letters Patent, the same being the entire interest therein.

To be held and enjoyed by the said New Marshall Engine Company for its own use and behoof, and for the use and behoof of its successors and assigns to the full end of the term for which said Letters Patent are or may be granted, including any reissue, division, renewal, or extension thereof, as fully and entirely as the same would have been held and enjoyed by me had this assignment and sale not been made.

And I covenant to and with said assignee and its legal representatives, as follows; to wit,—

1. That I have full right to assign said Invention and Letters Patent, in manner and form as above written, and that the interest herein conveyed is free from all prior assignment, grant, mortgage, license, or other incumbrance whatever.

2. That no Letters Patent for the said Invention have been applied for by or granted to me or my legal representatives, or any other party with my knowledge and consent, in any country other than the United States, bearing date prior to the date of —.

3. That I have done nothing and will do nothing to impair the title herein conveyed, but will at any and all times co-operate with said assignee in asserting, maintaining, and defending the same, said assignee defraying all costs and charges, including reasonable compensation for time spent in this behalf, and all proper expenses thereby incurred.

4. That I will, whenever the legal counsel of said assignee or its legal representatives shall advise that a Reissue of said Letters Patent is lawful and desirable, sign all lawful papers, make all rightful oaths or affirmations, and do all legal acts necessary or expedient to the procurement of such reissue, without charge to said assignee but at my expense.

In Testimony whereof, I have hereunto set my hand and affixed my seal this 22nd day of June A. D. 1905.

FRANK J. MARSHALL. [SEAL.]

In presence of

MYRON B. ALLEN, *Witness*.

Recorded June 30, 1905.

Filed October 23, 1905.

Mr. Clerk:

Order of notice to issue returnable Oct. 28th inst. Court House Greenfield at 9 o'clock, A. M. to show cause etc. under the first and third prayers of the within bill.

Ad interim injunction to issue under first prayer and also to restrain from vending, selling or delivering under third prayer.

F. G. F., J. S. C.

Oct. 23rd, 1905.

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Order of Notice.

[L. S.]

COMMONWEALTH OF MASSACHUSETTS,

Franklin, ss.:

Superior Court.

To the New Marshall Engine Company, a Corporation Duly Established, of Montague, in said County, and Frank J. Marshall, of Montague Aforesaid, Greeting:

We command you to appear at the Court House, in Greenfield, in said County, on Saturday, the twenty-eighth day of October A. D. 1905, at nine o'clock in the forenoon, to show cause why a permanent injunction should not issue as prayed for in the first and third prayers of a bill of complaint which has been entered in our said Court at said Greenfield, by the Marshall Engine Company, a corporation established under the laws of the State of New Jersey, and having a usual place of business in Montague aforesaid, by Andrew Van Blarcom, its Receiver.

And to do and receive what our said Court shall consider in that behalf.

Witness, John A. Aiken, Esquire, Chief Justice of said Superior Court, at Greenfield, the twenty-third day of October, in the year of our Lord, one thousand nine hundred and five.

HAROLD H. FLOWER,

Ass't Clerk.

30

Officer's Return.

FRANKLIN, ss.:

OCTOBER 24TH, 1905.

By virtue of this writ I have this day at forty minutes past Eight o'clock A. M. summoned the New Marshall Engine Company, to appear at Court as within directed by delivering in hand to Frank J. Marshall, Treasurer and officer having charge of its business for said Company a true and attested copy of this writ, and afterwards on the same 24th day of October 1905 I delivered to Frank J. Marshall in hand a true and attested copy of this writ for his appearance at Court as within directed.

CHESTER A. DAVIS,

Deputy Sheriff.

Fees.

2 services .50	1.00
2 copies .50	1.00
Travel40

\$2.40

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Restraining Order.

[L. s.]

COMMONWEALTH OF MASSACHUSETTS.

Franklin, ss:

To the New Marshall Engine Company, a Corporation Duly Established, of Montague, in said County, and Frank J. Marshall, of Montague Aforesaid, Their Agents, Attorneys and Counsellor, and Each and Every of Them, Greeting:

Whereas it has been represented unto us, in our Superior Court, by the Marshall Engine Company, a corporation duly established, of Montague aforesaid, by Andrew Van Blarcom, its Receiver, complainant, that it has filed in said Court a bill of complaint against the said New Marshall Engine Company, and you the said Frank J. Marshall respondents, wherein said complaint, among other things, prays that you the said respondents, be restrained from assigning or disposing of any right, title or interest in or to certain Letters Patent No. 725,349 mentioned in said bill of complaint; and also that you the said respondents, and all persons acting or claiming under either of you be restrained from vending, filling, selling and otherwise dealing in and with the devices and machines covered by Patent No. 725,349 of the United States of America, for a new and improved device in refining engines known as the "Marshall Perfecting Engine", and

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Whereas an order of notice has issued out of this Court returnable at the Court House, in Greenfield, in said County, on the twenty-eighth day of October A. D. 1905, to show cause why the prayers aforesaid should not be granted,

We, therefore, in consideration of the premises, do strictly enjoin and command you, the said respondents, and all and every the persons before named, in the meanwhile, to desist and refrain from assigning or disposing of any right, title or interest in or to said Letters Patent No. 725,349; we do also strictly enjoin and command you, the said respondents, and all and every the persons before named or referred to, in the mean while, to desist and refrain from vending, selling or delivering, the devices and machines covered by Patent No. 725,349 of the United States of America for a new and improved device in refining engines known as the "Marshall Perfecting Engine".

Witness John A. Aiken, Esquire, at Greenfield, the twenty-third day of October in the year of our Lord, one thousand nine hundred and five.

HAROLD H. FLOWER, *Ass't Clerk.*

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Officer's Return.

FRANKLIN, ss:

OCTOBER 23, 1905.

By virtue of this writ I have this day at forty minutes past nine o'clock P. M. served the within order of notice upon the Turner's

Falls Machine Company by delivering in hand to D. P. Abercrombie, Treasurer a true and attested copy of this writ and afterwards on the 24th day of October 1905 at forty minutes past six o'clock A. M. by virtue of this writ I served the within order of notice upon the Turner's Falls Machine Company by delivering in hand a true and attested copy of this writ to James D. Coy clerk and officers having charge of its business for said Company, and afterwards on the same 24th day of October 1905 by virtue of this writ I served at forty minutes past eight o'clock A. M. the within order of notice upon the New Marshall Engine Company to appear at Court as within directed by delivering in hand to Frank J. Marshall, Treasurer and Officer having charge of its business for said Company a true and attested copy of this writ and afterwards on the same 24th day of October 1905, I delivered to Frank J. Marshall in hand, a true and attested copy of this writ for his appearance at Court as within directed.

CHESTER A. DAVIS,
Deputy Sheriff.

Fees.

4 Services .50	2.00
4 Copies .50	2.00
Travel40
	<hr/>
	\$4.40

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Appearance.

FRANKLIN, ss:

Superior Court.

No. 2573.

MARSHALL ENGINE CO., by Receiver,
vs.

FRANK J. MARSHALL et al.

OCT. 28TH, A. D. 1905.

Enter my appearance for the Defendants in the above action.

LYMAN W. GRISWOLD, *Attorney.*

Filed October 28, 1905.

Motion to Take Bill Pro Confesso.

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE COMPANY, by Receiver,
vs.
NEW MARSHALL ENGINE COMPANY et al.

Showeth:

That your petitioner having exhibited a bill against the above named defendants on the 23rd day of October last, and order of notice having issued thereon returnable on the 28th day of October and said defendants having appeared on the said 28th day of October last, and said defendants not having put in their answers thereto within one month from said date of appearance, nor within one month from the return day of said order of notice:

35 Your petitioner prays that an order may be entered in said matter that the plaintiff's bill be taken pro confesso against the defendants.

GREENE & DAVENPORT,
Attorneys for Petitioner.

Filed December 5, 1905.

Defendants' Answer.

COMMONWEALTH OF MASSACHUSETTS,
Franklin, ss:

Superior Court.

MARSHALL ENGINE COMPANY, by ANDREW VAN BLARCOM, Receiver,
vs.
NEW MARSHALL ENGINE COMPANY et al.

Defendants' Answer.

DEC. 9, 1905.

1. The defendants admit the allegations contained in the first paragraph of the plaintiff's bill, except that the said Marshall Engine Company was organized for the purpose of manufacturing, repairing, buying and selling and otherwise dealing in and with a refining engine known as the Marshall Perfecting Engine and that it was the intention and purpose of the said Marshall Engine Company and said Frank J. Marshall that said Marshall Engine Company should acquire the good will of the business carried on by the said Frank J. Marshall under the name of "F. J. Marshall," together with the exclusive use of any words indicating that the business was carried on in succession or continuation thereof, trade marks and trade names connected therewith and the

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entire right, title and interest in and to any and all of the inventions of said Frank J. Marshall in any way relative to or connected with the said refining engine, known as the Marshall Perfecting Engine, and such letters patent of the United States as might be issued therefor, which they deny.

2. The defendants admit the allegations contained in the second paragraph of the plaintiff's bill.

3. The defendants admit the allegations contained in the third paragraph of the plaintiff's bill.

4. The defendants admit the allegations contained in the fourth paragraph of the plaintiff's bill.

5. The defendants deny the allegations contained in the fifth paragraph of the plaintiff's bill.

6. The defendants deny the allegations contained in the sixth paragraph of the plaintiff's bill.

7. The defendants deny the allegations contained in the seventh paragraph of the plaintiff's bill.

8. The defendants admit the allegations contained in the eighth paragraph of the plaintiff's bill.

9. The defendants deny the allegations contained in the ninth paragraph of the plaintiff's bill, except that the United States of America did issue its Letters Patent under the seal of the Patent Office, Serial No. 725,349, bearing date of April 14th, 1903, as alleged which they admit.

10. As to the allegations contained in the tenth paragraph of the plaintiff's bill, the defendants neither affirm nor deny, but leave the plaintiff to prove the same.

11. The defendants deny the allegations contained in the eleventh paragraph of the plaintiff's bill.

12. The defendants deny the allegations contained in the twelfth paragraph of the plaintiff's bill, except that the said Frank J. Marshall assigned Letters Patent of the United States, No. 725,349 to the New Marshall Engine Company, which they admit.

13. The defendants deny the allegations contained in the thirteenth paragraph of the plaintiff's bill, except that the New Marshall Engine Company accepted said assignment of Letters Patent of the United States, No. 725,349.

14. As to the allegations contained in the fourteenth paragraph of the plaintiff's bill, the defendants neither affirm nor deny, but leave the plaintiff to prove the same.

NEW MARSHALL ENGINE CO.,
FRANK J. MARSHALL,

By Their Attorney, LYMAN W. GRISWOLD.

After hearing, leave to file.

F. G. F., J. S. C.

Filed December 11, 1905.

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Motion for Dissolution of Injunction.

FRANKLIN, ss:

Superior Court. In Equity.

ANDREW VAN BLARCOM, Receiver, Plaintiff,

v.

NEW MARSHALL ENGINE COMPANY and FRANK J. MARSHALL,
Defendants.

Now come the defendants and move that the injunction granted in this action be dissolved and ask for a speedy hearing of this motion either by the Court or by a Special Master appointed for that purpose.

By Defendants' Attorneys, LYMAN W. GRISWOLD.

HAMPDEN, ss:

DEC. 20, 1905.

John W. Mason appointed Special Master.

Hearing app'd Dec. 27, 1905.

By order of the Court.

Attest:

ROBERT O. MORRIS, Clerk.

Filed December 20, 1905.

Appearance.

FRANKLIN, ss:

Superior Court.

No. 2573.

ANDREW VAN BLARCOM, Receiver,

vs.

NEW MARSHALL ENGINE Co. et al.

DEC. 20TH, A. D. 1905.

Enter our appearance for the defendants in the above action.

BROOKS & HAMILTON, Attorney.

Filed December 21, 1905.

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Replication.

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE COMPANY, by Receiver,

vs.

NEW MARSHALL ENGINE Co. et al.

And now comes the plaintiff in the above entitled matter and joins issue with the defendants upon their answers.

By FREDERICK L. GREENE, Attorney.

Filed June 9, 1906.

Appearance.

FRANKLIN, ss:

Superior Court.

No. 2573.

MARSHALL ENGINE Co., by Receiver,

vs.

THE NEW MARSHALL ENGINE Co.

FEB. 2, A. D. 1907.

Enter our appearance for The New Marshall Engine Co. & Frank J. Marshall in the above action.

LAMB & LAWLER, *Attorney*.

Filed February 2, 1907.

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Rule to Master.

COMMONWEALTH OF MASSACHUSETTS,

Franklin, ss:

Superior Court. In Equity.

No. 2573.

MARSHALL ENGINE Co., by Receiver,

vs.

NEW MARSHALL ENGINE COMPANY et al.

And now it is ordered that the above entitled cause be referred to John W. Mason, Esq., of Northampton, as Special Master, to hear the parties and their evidence and report his findings to the Court together with such facts and questions of law as either party may request.

By the Court,

[L. s.]

CLIFTON L. FIELD, *Clerk*.

NOTE.—The Master is to report the evidence taken by him under this order of reference without special order of the Court.

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Report of Special Master.

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE CO., by Receiver,

v.

NEW MARSHALL ENGINE CO. et al.

Report of John W. Mason, Special Master.

Pursuant to rule of Court I heard the parties and their evidence in the above entitled case on the sixteenth day of June, 1906, on the sixth, thirteenth and twenty-seventh days of October, 1906, and on the sixth, seventh and twenty-second days of December, 1906.

This is a suit in equity to compel the defendants to assign to the plaintiff United States letters patent No. 725,349, to which patent the plaintiff claims an equitable right by reason of the contracts and assignments hereinafter set forth.

In 1886 the defendant, Frank J. Marshall, was granted letters patent No. 342,802 for an improvement in pulp-beating engines. He commenced the manufacture of such engines under this patent in 1887 in his own name, calling the machine "Marshall's Perfecting Engine" or "Marshall's Pulp Beating Engine". In 1897 the defendant, Frank J. Marshall, organized a corporation under the laws of Massachusetts under the name of "Marshall Engine Co." The capital was \$60,000, of which the defendant, Frank J. Marshall, owned all but \$10,000 or \$15,000. This company manu-
42 factured pulp beating engines under the aforesaid patent.

On the thirteenth day of September, 1902, the plaintiff corporation was organized under the laws of New Jersey with a capital stock of \$50,000, 50 shares to be preferred stock and 450 shares to be common stock.

On the fifteenth day of September, 1902, the plaintiff corporation and the defendant, F. J. Marshall, made a contract, a copy of which is annexed to the plaintiff's bill of complaint and marked Exhibit A. At the time of this agreement the defendant, F. J. Marshall, had no patents except patent No. 342,802, and had no plant, machinery, furniture, licenses or stock in trade. He had copy books, cash books and ledger, and some debts due to him, and he had pending an application for a patent, on which application patent No. 725,349 was issued in 1903.

At a meeting held on said September fifteenth, 1902, F. J. Marshall was elected a director of the plaintiff corporation, and at a meeting of the Directors held on the seventeenth day of September, 1902, he was elected treasurer of the company. On the fifteenth day of September, 1902, certificates of stock were drawn up and signed by the president and treasurer of the company for four hundred and forty-seven shares of common stock in the name of Frank J.

Marshall, one share in the name of H. H. Picking, one share in the name of F. L. Miner, and one share in the name of Wm. R. Roland. All of these certificates, except the one to Mr. Miner and one for fifty shares to Frank J. Marshall, remain annexed to the original stubs of the stock certificate book, and are without the seal of the corporation.

Prior to September fifteenth, 1902, four engines had been manufactured embodying the improvement described in the patent of 1903, and thereafter between September 15, 1902, and June 13, 1905, either nine or ten engines embodying this improvement were manufactured by the plaintiff.

On the thirteenth day of June, 1905, Andrew Van Blarcom of Newark, New Jersey, was appointed by the Court of Chancery in New Jersey Receiver of the plaintiff corporation, and he was subsequently appointed Ancillary Receiver by the Superior Court in this County as set forth in the third and fourth paragraphs of the plaintiff's bill.

The defendant, F. J. Marshall caused to be organized under the laws of Massachusetts the defendant corporation, the new Marshall Engine Co. The certificate of organization is dated June 21, 1905. The purposes of the organization are "the following: To make, vend, sell, buy and operate all kinds of paper mill and other machinery; to acquire by purchase or otherwise patents covering inventions in machinery of all kinds and at will to sell the same; and to engage in the manufacture, purchasing, vending and selling of paper and paper products of all sorts and descriptions and in particular to acquire by purchase or otherwise patent Number 725,349 of the United States of America for a new and improved device in refining engines known as the Marshall Perfecting Engine, and to engage in the business of making, vending, filling and selling the devices and machines covered by said patent". The capital of this corporation is \$50,000, of which the defendant, F. J. Marshall, owns \$49,700. The defendant, F. J. Marshall, is President and Treasurer of the New Marshall Engine Co. On the twenty-second day of June, 1905, the defendant, F. J. Marshall, executed the assignment to the defendant corporation of patent No. 725,349, a copy of which assignment is annexed to the plaintiff's bill and marked "Exhibit C". This assignment was duly recorded in the United States Patent Office June 30, 1905.

The New Marshall Engine Company has manufactured at least two machines under the patent of 1903; but since this bill was filed and injunction was issued it has manufactured machines like those described in the expired patent of 1886 (No. 342,802) with some modifications, but without the improvement described in the patent of 1903 (No. 725,349). These machines have been advertised in the trade papers by the defendant corporation as "The New Marshall Perfecting Engine", and the catalogues prepared by the plaintiff have been used by the defendant corporation to illustrate its machine.

The contract between the plaintiff corporation and the defendant, F. J. Marshall, hereinbefore referred to (Exhibit

A annexed to the plaintiff's bill) was never recorded in the United States Patent Office. More than three months after its date having passed, on the eighth day of October, 1904, at the request of other parties interested in the plaintiff corporation, the defendant, F. J. Marshall, executed and acknowledged the paper, a copy of which is annexed to the plaintiff's bill and marked "Exhibit B". This paper was duly recorded in the United States Patent Office, October tenth, 1904.

Patent No. 342,802 and patent No. 725,349 are both for improvements in pulp-beating engines. A copy of the specifications and claims in case of patent No. 342,802 is hereto annexed marked "A", and a copy of the specifications and claims in case of patent No. 725,349 is hereto annexed marked "B". The machine described in the second patent is like that described in the first with the single exception that a portion of the machine called in the first patent a "bed plate" is described in the second patent as made in two sections clamped together, instead of being in a single piece. This is the improvement for which the patent of 1903 (No. 725,349) was granted, it being claimed that the improvement facilitated the removal of the plate when necessary for cleaning the machine
46 or for any other purpose. When the parts are clamped together, so that the machine is ready for use, the operation of the machine is precisely like that of the machine described in the patent of 1886 (No. 342,802).

I find as a matter of fact that the patent No. 725,349, issued in 1903, is for an improvement on the machine described in letters patent No. 342,802 issued to the defendant, Frank J. Marshall, in 1886.

I rule as matter of law that said contracts, or assignments, (Exhibits A and B) are equivalent in equity to assignments of the perfected patent No. 725,349; that the plaintiff is in equity the owner of said patent; and that the defendant, F. J. Marshall, took the legal title to said patent in trust for the plaintiff; that the facts were known to the defendant, F. J. Marshall, at the time of the execution of the assignment to the defendant corporation (Exhibit C), and that, under the circumstances hereinbefore set forth, the knowledge of the defendant, F. J. Marshall, and the recorded assignment (Exhibit B), constituted notice to the defendant corporation of the rights of the plaintiff under said Exhibits A and B.

This construction of the assignments, Exhibits A and B, is in harmony with the construction put upon the same by the parties by their acts as hereinbefore set forth from the time of the said
47 assignments up to the time of the appointment of the Receiver, June 13, 1905.

I therefore find and rule that the plaintiff is entitled to an assignment of said patent No. 725,349 as prayed for in its bill.

A draft report was submitted to the parties on the sixteenth day of January, 1907, and a hearing thereon was held on the second day of February, 1907.

Respectfully submitted,

JOHN W. MASON,
Special Master.

Copies of the foregoing report were given to counsel for plaintiff and counsel for defendants on the ninth day of February, 1907. On the fourteenth day of February, 1907, the defendants filed with me their objections to this report. Said objections are annexed to this report.

JOHN W. MASON,
Special Master.

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Superior Court. In Equity.

FRANKLIN, ss.:

MARSHALL ENGINE Co., by Receiver,
vs.
NEW MARSHALL ENGINE Co. et al.

*Objection Made by the Defendants to the Drafts of the Report of the
Master in the Above Case.*

Objection 1.

Second paragraph on page two the defendants object to, for that the report does not state that these engines were manufactured by virtue of a license and for which royalties were charged.

Objection 2.

On page three of the Master's Report, paragraph ending at the top of page three, the defendants object to, for that; it does not state that F. J. Marshall was not an officer of the New Marshall Engine Co. at the date of making and recording the assignment therein mentioned, but carries the impression that he was such an officer, which is not in accordance with the facts, nor the evidence in the case.

Objection 3.

The defendants object to the statement in paragraph one on page three, for that; "the catalogues prepared by the plaintiff have been used by the defendant corporation to illustrate its machines", because it is not in accordance with the facts and the evidence in the case.

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Objection 4.

On page four of the Master's Report, beginning on the second line from the top, the defendants object to that part of the paragraph, beginning with the words, "the machine described, etc." to the end of said paragraph, for that; it is not in accordance with the facts and is contrary to the evidence in the case.

Objection 5.

The defendants object to the whole of the first paragraph on page four, for that; the statements therein contained are not in accordance with the facts, nor the evidence in the case.

Objection 6.

The defendants object to the whole of paragraph two on page four, for that; the finding is not in accordance with the law and the facts, and not supported by the evidence in the case.

Objection 7.

Paragraph three on page four of the Master's Report, the defendants object to the whole of said paragraph, for that; the same is not in accordance with the facts and not supported by the evidence in the case.

Objection 8.

50 The first paragraph on page five of the Master's Report, the defendants object to the whole of said paragraph, for that; it is not in accordance with the facts and not supported by the evidence in the case.

Objection 9.

The defendants object to said report, for that; it does not show the objections and exceptions taken by the defendants to the admission and rejection of the evidence in the case of the hearing before him.

Objection 10.

The defendants object to the finding and ruling in said report, that the plaintiff is entitled to the assignment of the patent prayed for in the bill, for that; said finding and ruling are evidently erroneously based and proceed upon the ground that the improvement mentioned in said patent, applies to and is an improvement upon patent #342,802, whereas, said improvement was not and does not claim to be an improvement upon said patent #342,802 of 1886, but specifically claims therein to be an improvement upon another patent granted to E. R. Marshall in 1889.

Objection 11.

And the defendants request the master to find and rule in accordance with the claims made in the preceeding objections.

NEW MARSHALL ENGINE CO.,
FRANK J. MARSHALL,
By LYMAN W. GRISWOLD,
LAMB & LAWLER,

Defendant's Attorneys.

Filed February 18, 1907.

51 *Motion for Confirmation of Master's Report.*

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE CO., by Receiver,
v.

FRANK J. MARSHALL AND NEW MARSHALL ENGINE CO.

And now comes the plaintiff in the above entitled matter and moves the Court that the report of the special master to whom said matter was referred be confirmed.

By His Attorney, FREDERICK L. GREENE.

Filed April 6, 1907.

52 *Motion for Attachment for Contempt.*

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE CO., by Receiver,
v.

NEW MARSHALL ENGINE CO. AND FRANK J. MARSHALL.

And now comes the plaintiff in the above entitled matter and moves the Court that order of notice issue to the defendant Frank J. Marshall to shew cause why he should not be attached for contempt for violation of the injunction heretofore issued in said matter.

By His Attorney, FREDERICK L. GREENE.

Filed April 6, 1907.

53 *Motion to Dismiss.*

FRANKLIN, ss:

APRIL 6, 1907.

Superior Court.

THE MARSHALL ENGINE CO., by Receiver,
vs.

NEW MARSHALL ENGINE CO. et al.

Motion to Dismiss.

And now comes the defendants in the above entitled action and representing to the court that the plaintiff's bill presents a question

involving an inquiry as to the construction and scope of the patents therein mentioned, of which question, the Federal Courts have exclusive jurisdiction, move that the plaintiff's bill be dismissed on the ground that this court has no jurisdiction.

NEW MARSHALL ENGINE CO. ET AL.,
By LAMB & LAWLER, *Their Attorneys.*

Filed April 12, 1907.

SUFFOLK, ss:

Boston, Apr. 25, 1907.

Mo. overruled by the Court, after hearing.

Attest:

H. E. BELLEW, *Ass't Clerk.*

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Notice of Appeal.

FRANKLIN, ss:

APRIL 26TH, 1907.

Superior Court.

MARSHALL ENGINE CO., by Receiver,
vs.
NEW MARSHALL ENGINE CO. et al.

Notice of Appeal.

And now come the defendants in the above entitled action and representing that they feel and are ag-grieved by the decision of the court, dismissing their motion on file in the case for the dismissal of said action, for want of jurisdiction, respectfully appeal from said decision.

NEW MARSHALL ENGINE CO.,
FRANK J. MARSHALL,
By LAMB & LAWLER,

Their Attorneys.

Filed April 27, 1907.

55 *Interlocutory Decree In re Attachment for Contempt.*

FRANKLIN, ss:

Superior Court. In Equity.

No. 2573.

MARSHALL ENGINE COMPANY, by Receiver,
vs.
NEW MARSHALL ENGINE COMPANY et al.

Interlocutory Decree.

Upon motion filed in this court on April 6th, last, for order of notice to the defendant Frank J. Marshall to show cause why he

should not be attached for contempt for violation of the injunction heretofore issued in this case. After hearing evidence and arguments of counsel for all parties with reference thereto;

It is hereby ordered, adjudged and decreed that the defendant, Frank J. Marshall is in contempt of this court for violation of the injunction heretofore issued in this case;

And it is further adjudged, ordered and decreed that said defendant, Frank J. Marshall pay to the receiver of the plaintiff the sum of four hundred and forty five dollars (\$445.00) for and on account of such contempt;

And it is further adjudged, ordered and decreed that the enforcement of this order be suspended until further order of this court.

56 By the court,

CLIFTON L. FIELD, *Clerk*.

May 4th, 1907.

Entered May 4, 1907.

Motion for Final Decree and Final Decree.

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE Co., by Receiver,

vs.

NEW MARSHALL ENGINE Co. et al.

And now comes the petitioner and shews the Court that the matters stated in his bill have heretofore been referred to a Master, that the *the* Master has filed his report in this Court, and that said report has been confirmed by this Court:

The petitioner therefore moves the court to enter a decree in accordance with the prayer of his bill and the said Master's report.

By His Solicitor, FREDERICK L. GREENE.

This matter came on to be heard upon the foregoing motion this sixteenth day of September, A. D. 1907, and now after consideration of said motion, the pleadings and Master's report in said cause, the order confirming the same, and arguments of counsel,

57 It is adjudged, ordered and decreed that the New Marshall Engine Company—Frank J. Marshall, defendants, their agents, attorneys and servants, be perpetually enjoined and restrained from assigning or disposing of any right, title or interest in or to Letters Patent of the United States, No. 725,349, save in accordance with this decree;

That the New Marshall Engine Company defendant, be required to execute to the Marshall Engine Company, plaintiff, an assignment in due form, so as to entitle the same to be recorded in the Patent Office of the United States at Washington, of all its interest in Let-

ters Patent of the United States No. 725,349, and of all its rights thereunder; and to deliver the same to the plaintiff, the Receiver;

That the plaintiff recover from the defendants costs as in a suit at law to be taxed by the clerk.

Jan'y 11, '08.

By the Court.

CLIFTON L. FIELD, *Clerk.*

Entered January 25, 1908.

58 *Motion for Final Decree and Final Decree.*

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE Co., by Receiver,

vs.

NEW MARSHALL ENGINE Co. et al.

And now comes the petitioner and shows the court that the matters stated in his bill have heretofore been referred to a Master, that the Master has filed his report in this Court, and that said report has been confirmed by this Court.

The petitioner therefore moves the Court to enter a decree in accordance with the prayer of his bill and the said Master's report.

By His Solicitor, FREDERICK L. GREENE.

Final Decree.

This matter came on to be heard upon the foregoing motion the sixteenth day of September, A. D. 1907, and now after consideration of said motion, after sundry mesne continuances, the pleadings and Master's report in said cause, the order confirming the same, and arguments of counsel;

59 It is adjudged, ordered and decreed that the New Marshall Engine Company and Frank J. Marshall defendants, their agents, attorneys and servants, be perpetually enjoined and restrained from assigning or disposing of any right, title or interest in or to Letters Patent of the United States No. 725,349, save in accordance with this decree;

That the New Marshall Engine Company, defendant, be required to execute to the Marshall Engine Company, plaintiff, an assignment in due form, so as to entitle the same to be recorded in the Patent Office of the United States at Washington of all its interest in Letters Patent of the United States No. 725,349, and of all its rights thereunder, and to deliver the same to the plaintiff, the Receiver; and that in case of the refusal or neglect of said New Marshall Engine Company for thirty days after notice to it of the entry of this decree to execute and deliver such assignment, that Henry J. Field Esqr. of Greenfield, in the County of Franklin be appointed agent to exe-

cute in the name of and for and in behalf of said New Marshall Engine Company such assignment and to deliver the same to the plaintiff, the Receiver;

That the New Marshall Engine Company and Frank J. Marshall, defendants, their agents, attorneys and servants, and all persons acting or claiming under them or any of them be perpetually enjoined and restrained from engaging in the business of making, vending, filling, selling and otherwise dealing in and with, the devices and machines covered by Patent No. 725,349 of the United States
60 of America, for a new and improved device in refining engines known as the "Marshall Perfecting Engine;"

That the defendants the New Marshall Engine Company and Frank J. Marshall forthwith pay to the plaintiff the sum of one hundred four dollars and ninety seven cents as and for costs of this suit, and that execution issue therefor.

March 21st, 1908.

By the Court.

CLIFTON L. FIELD, *Clerk.*

Filed March 21, 1908.

Disappearance.

FRANKLIN, ss:

Superior Court.

No. 2573.

MARSHALL ENGINE CO., by Receiver,

vs.

NEW MARSHALL ENGINE CO. et al.

APRIL 11, A. D. 1908.

Enter our disappearance for the defendants in the above action.

LAMB & LAWLER, *Attorneys.*

Filed April 11, 1908.

61

Appearance.

FRANKLIN, ss:

Superior Court.

No. 2573.

MARSHALL ENGINE CO., by Receiver,

vs.

NEW MARSHALL ENGINE CO. et al.

APRIL 11, A. D. 1908.

Enter my appearance for the defendants in the above action.

FRANK J. LAWLER, *Attorney.*

Filed April 11, 1908.

Notice of Appeal and Appeal.

FRANKLIN, ss:

Superior Court.

MARSHALL ENGINE Co., by Receiver,

vs.

NEW MARSHALL — Co. et al.

Notice of Appeal and Appeal.

APRIL 11TH, 1908.

And now comes the defendant in the above entitled case and having received notice of the entry of the decree in said case, gives notice of an appeal and appeals from said decree to the Supreme Judicial Court.

NEW MARSHALL ENGINE COMPANY
ET AL.,

By Their Attorneys, LYMAN W. GRISWOLD,
FRANK J. LAWLER.

Filed April 11, 1908.

62 And upon the twentieth day of October A. D. 1908, a rescript was received and placed on file in the office of the clerk of this court, the same being in the words following, to wit:

COMMONWEALTH OF MASSACHUSETTS:

Supreme Judicial Court for the Commonwealth, at Boston, Oct. 19, 1908.

In the case of

THE MARSHALL ENGINE COMPANY

vs.

THE NEW MARSHALL ENGINE COMPANY et al.

pending in the Superior Court for the County of Franklin

Ordered, that the clerk of said court in said county make the following entry under said case in the docket of said court; viz.,—

Decree affirmed with costs.

By the Court,

C. H. COOPER, *Clerk.*

October 19, 1908.

Brief Statement of the Grounds and Reasons of the Decision.

Opinion Herewith.

63

Final Decree.

FRANKLIN, ss:

Superior Court. In Equity.

MARSHALL ENGINE Co., by Receiver,
vs.
NEW MARSHALL ENGINE Co. et al.

Final Decree.

This matter came on to be heard on this sixteenth day of January A. D. 1909 on motion of the plaintiff for entry of a final decree therein and now after consideration of said motion and arguments of counsel thereon;

It appearing from the files and records of this court that there was received by the clerk of this Court from the clerk of the Supreme Judicial Court for the Commonwealth a rescript on October 20th 1908 in words following viz. "Decree affirmed with Costs;"

It is adjudged, ordered and decreed in accordance with said rescript that the decree entered in this Court, March 21st, 1908 be affirmed; and it is further adjudged, ordered and decreed that the defendants the New Marshall Engine Company and Frank J. Marshall \$29.79 pay to the plaintiff the sum of twenty nine dollars, seventy-nine cents as and for costs of this suit since the entry of said decree, and that execution issue therefor;

64 And it is further ordered, adjudged and decreed that the order of this Court entered May 4th 1907 suspending the enforcement of the order of this Court entered May 4th 1907 adjudging the defendant Frank J. Marshall in contempt be revoked, and that said order adjudging the said defendant in contempt and ordering him to pay the Receiver of the plaintiff the sum of four hundred and forty-five dollars (\$445.) be affirmed.

January 16th, 1909.

By the Court, CLIFTON L. FIELD, *Clerk.*

Entered January 16, 1909.

65

Decree.

FRANKLIN, ss:

Superior Court. In Equity.

#2573.

MARSHALL ENGINE Co., by Receiver,

vs.

NEW MARSHALL ENGINE Co. et al.

Decree.

This case came on to be heard this 10th day of April, A. D. 1909 upon oral motion of counsel for the plaintiff that execution for its costs issue forthwith in accordance with the decrees heretofore entered in said case, March 21st A. D. 1908, and January 16th A. D. 1909; and that process of attachment for contempt against the defendant Frank J. Marshall issue for failure to pay to the Receiver of the plaintiff the sum of four hundred and forty-five dollars (\$445.); as ordered by decree entered 4th May, A. D. 1907 as confirmed by decree entered 16th January 1909;

And thereupon after hearing counsel for the plaintiff and counsel for the defendants, and it appearing by statements and agreement of counsel that execution for costs had not issued, that no part of the same had been paid, and that the defendant Marshall had not paid to the Receiver of the plaintiff the sum of four hundred and
66 forty-five dollars (\$445.) or any part thereof, and after consideration of the premises;

It is adjudged, ordered and decreed that execution issue forthwith against said defendant in accordance with said motion for the sum of one hundred thirty-four dollars and seventy-six cents (\$134.76), being the sum of the amounts ordered to be paid by the decrees aforementioned; March 21st A. D. 1908, and January 16th A. D. 1909;

And it is further adjudged, ordered and decreed that a writ of attachment for contempt also issue forthwith against the said Frank J. Marshall for his failure to pay the Receiver of the plaintiff the sum of four hundred and forty-five dollars (\$445.), as ordered in the decrees entered 4th May, 1907 and 16th January, 1909.

And it is ordered that the said defendant Frank J. Marshall pay to the said plaintiff forthwith the sum of — as and for his costs of this application and of such attachment.

April 24, 1909.

By the Court, CLIFTON L. FIELD, *Clerk.*

Entered April 29, 1909.

MARSHALL ENGINE CO., by Receiver,
vs.
NEW MARSHALL ENGINE CO. et al. (FRANK J. MARSHALL).

(In Equity.)

Bond & Babson.
Greene & Davenport.
Lyman W. Griswold.
Brooks & Hamilton.
[Lamb & Lawler.]*
Frank J. Lawler.

Bill filed Oct. 23/'05 & same day restraining order & or. of no. returnable Oct. 28/'05 at 9 A. M., issued per order Fessenden, J.

Resp'd'ts' app. filed Oct. 28/'05.

Pl'ff's mo. that Bill be taken pro confesso filed Dec. 5, 1905.

Def'ts' ans. filed by consent of Court Dec. 11, 1905 Fessenden, J.

Def'ts' mo. for dissolution of injunction or speedy hearing by Court or Special Master filed Dec. 20/'05 & same day Court sitting in Hampden Co. appoints John W. Mason Special Master, and a hearing for Dec. 27/'05.

App. of Brooks & Hamilton for def'ts filed Dec. 21/'05.

Request for issuing a commission for taking dep'n & interrogatories filed Feb. 20/'06.

Application for com. to take dep'n & interrogatories filed Feb'y 23/'06.

Application for com. to take dep'n & interrogatories filed Feb'y 24/'06.

Application com's to take dep'ns & interrogatories filed April 5/'06.
(Rule issued.)

Pl'ff's replication filed June 9/'06.

Dep'ns G. Cameron, L. D. Post, J. P. Franklin, G. H. Blish, J. B.

Craig, & F. L. Miner, filed Oct. 6, 1906.

68 Lamb & Lawler app. for resp'd'ts Feb'y 2/'07.

Report of Special Master filed Feb'y 18/'07.

Mo. for confirmation of Master's report & mo. for attachment for contempt filed Apr. 6/'07 & same day, Fessenden, J. orders Master's report confirmed and or. of no. returnable Apr. 13, '07, to show cause, etc.

Resp'd'ts' mo. to dismiss filed April 12/'07.

Apr. 13/'07 C. to Apr. 20/'07.

Court, Fessenden, J. orders papers transferred to 1st Equity Div'n, Mo. Session for hearing at 2 o'clock p. m. Apr. 25/'07 on Apr. 20, 1907 & same day case cont'd to May 4, prox. 9.15 A. M.

Court after hearing, at Suffolk, overrules mo. to dismiss Apr. 25/'07.

[* Words enclosed in brackets erased in copy.]

Resp'd'ts' no. of appeal filed April 27/'07.

Court, Fessenden, J. finds def't Marshall in contempt & orders that he pay Receiver the sum of \$445.00 and suspends the enforcement of this order till further order of the Court, May 4/'07. (See decree on file.)

Fessenden, J. orders entry of final decree Sept. 16/'07.

(Final decree entered Jan. 11/'08, Fessenden, J.

Feb'y 8/'08 time for filing of final decree advanced two weeks, Fessenden, J. (Jan. 25.)

Feb'y 15/'08, time further advanced 5 weeks, Fessenden, J. (M'ch 21.))

69 All parties agreeing & by order of Court, Fessenden, J. all docket entries relative to final decree from & after Jan. 11/'08 stricken out M'ch 21/'08, & same day final decree entered, Fessenden, J.

Disappearance of Lamb & Lawler for def'ts filed Apr. 11/'08 & same day F. J. Lawler app. for def'ts.

Def'ts' no. of appeal & appeal filed Apr. 11/'08.

S. J. C. rescript rec'd & filed Oct. 20/'08—"Decree affirmed with costs."

Court, Fessenden, J. orders entry of final decree Jan'y 16, 1909.

Fessenden, J. orders ex-on and writ of attachment to issue Apr. 24/'09, & decree on above orders entered Apr. 29/'09 & same day ex'on & writ of attachment issued.

On May 29/'09 Fessenden, J. orders hearing in re writ of attachment etc.

C. to June 12/'09 at 9 A. M. & F. J. Marshall recog. in \$2000. to appear June 12/'09.

Def'ts' appl'n for writ of error, assignment of errors and bond to pay dam. & costs filed July 7/'09.

70 COMMONWEALTH OF MASSACHUSETTS,

Franklin, ss:

Superior Court.

I, John A. Aiken, Chief Justice of the Superior Court, in and for said Commonwealth, do certify that Clifton L. Field, by whom the foregoing certificate and attestation was made, and who has thereunto subscribed his name, was, at the time of making thereof, and still is, Clerk and proper certifying officer of said Court for said County of Franklin, duly Commissioned and sworn; and has, by law, the custody of the seal, and all the records, books, documents and papers of or appertaining to said Court, and that said certificate and attestation are in due form to authenticate the records of said Court, and entitled to full faith and credit, as well in Courts of Judicature as elsewhere.

In testimony whereof, I have hereunto set my hand this seventeenth day of July in the year of our Lord one thousand nine hundred and nine.

JOHN A. AIKEN,
Justice of the Superior Court.

I, Clifton L. Field, Clerk of the Superior Court in and for said County of Franklin, do certify that the Honorable John A. Aiken, by whom the foregoing attestation was made, and who has thereunto subscribed his name, was, at the time of making thereof, and still is, Chief Justice of the Superior Court of said Commonwealth, duly Commissioned and Sworn; to all whose acts, as such Justice, full faith and credit are and ought to be given, as well in Courts of Judicature as elsewhere.

In testimony whereof, I have hereunto set my hand and affixed the seal of said Superior Court, this seventeenth day of July in the year of our Lord one thousand nine hundred and nine.

[Seal the Superior Court.]

CLIFTON L. FIELD,
Clerk of said Court.

71 All and singular which premises we have held good by the tenor of these presents to be exemplified.

In testimony whereof, we have caused the seal of our said Court to be hereunto affixed.

Witness, John A. Aiken, Esquire, Chief Justice of our said Superior Court at Greenfield, in said County of Franklin, this sixteenth day of July, in the year of our Lord one thousand nine hundred and nine.

[Seal the Superior Court.]

CLIFTON L. FIELD, *Clerk.*

72 COMMONWEALTH OF MASSACHUSETTS:

BOSTON, November 3, 1908.

I certify the annexed to be a true copy of the opinion of the Supreme Judicial Court in the case of Marshall Engine Company vs. New Marshall Engine Company et al. decided on the 19th day of October, 1908.

HENRY WALTON SWIFT,
Reporter of Decisions.

72½ LORING, J.:

The only ground on which the defendants contend that the decree in favor of the plaintiff should be reversed is that the case at bar is a case arising under the patent-right laws of the United States. If it is, this court has no jurisdiction. By U. S. Rev. Sts. s. 711, clause fifth, the jurisdiction given to the courts of the United States in such cases is exclusive of the courts of the several States.

The cause was sent to a master. From his report it appears that in 1886 a patent was issued to the defendant Marshall for an improvement in pulp-beating machines.

This patent expired on June 1, 1903. Between eight and nine months before the expiration of this patent, (on September 13, 1902,) Marshall organized the plaintiff corporation in New Jersey. It had a capital stock of \$50,000, \$5000 of which were preferred and \$45,000 common. On September 15,

1902, all the common stock was issued to Marshall in consideration of an assignment by him of the "United States Letters Patent, No. 342,802 for improvement in Engines issued to Frank J. Marshall June 1, 1886, and all improvements thereon and renewals of the same," and the good-will of his business. This was not recorded in the patent office. At the date of this agreement Marshall "had pending an application for a patent on which application patent 725,349 was issued in 1903."

The assignment of September 15 contained a covenant of further assurance, and on October 8, 1904, (one year and four months after the original patent had expired,) Marshall, at the request of the plaintiff, executed and delivered to it an assignment in pursuance of this covenant of further assurance. After reciting that he had obtained "Letters Patent of the United States of America for an improvement in engines, which Letters patent, are numbered 342,802," and that he had made a former assignment of the patent, and the fact that the assignment was not recorded and that he previously had made a covenant of further assurance, Marshall assigned to the plaintiff "the whole right, title and interest in and to the said improvement in engines, and in and to the Letters Patent therefor aforesaid, and all further improvements thereon and renewals of the aforesaid patent."

74 Meanwhile, to wit, on April 14, 1903, Marshall had obtained another patent for an improvement in pulp-beating engines. With respect to this improvement the master made this finding: "The machine described in the second patent is like that described in the first with the single exception that a portion of the machine called in the first patent a 'bed plate' is described in the second patent as made in two sections clamped together, instead of being in a single piece. This is the improvement for which the patent of 1903 (No. 725,349) was granted, it being claimed that the improvement facilitated the removal of the plate when necessary for cleaning the machine or for any other purpose. When the parts are clamped together, so that the machine is ready for use, the operation of the machine is precisely like that of the machine described in the patent of 1886 (No. 342,802)."

On June 15, 1905, a receiver was appointed for the plaintiff corporation in New Jersey, and later the same person was appointed receiver in ancillary proceedings begun in Massachusetts. On June 21, 1905, Marshall organized a Massachusetts corporation to operate the patent rights covered by the later patent, (No. 725,349,) and on June 22 assigned that patent to the new corporation. This new corporation is the other defendant in the suit now before us. The Massachusetts corporation has a capital stock of \$50,000, all issued to Marshall except three shares, and Marshall is the president and treasurer of it.

75 In taking out the letters-patent No. 725,349, for the improvement in pulp-beating machines, Marshall stated that this was "an improvement on patent No. 411,251. granted September 17, 1889, to E. R. Marshall and also embodies features shown in patent No. 342,802, granted June 1, 1886 to myself." Beyond this state-

ment in letters-patent 725,349, it does not appear that a patent was issued to E. R. Marshall. It nowhere appears in the case what the improvement covered by that patent consists of nor who E. R. Marshall is.

The words "all improvements thereon" in the agreement of September 15, 1902, include all improvements on the improvement in engines for which the original letters-patent were granted. On the finding of the master the improvement for which letters-patent No. 725,349 were issued was an improvement in engines for which the original letters-patent (No. 342,802) were granted and is covered by the agreement of September 10. This conclusion is enforced by the fact that when this agreement was made Marshall had pending an application for the improvement afterwards covered by letters-patent 725,349.

The defendants contend that the question whether the improvement for which the later letters-patent were issued is an improvement on the former improvement is a question arising under the patent-right laws of the United States.

It is settled that "where a suit is brought on a contract of
76 which a patent is the subject matter, either to enforce such contract or to annul it, the case arises on the contract or out of the contract and not under the patent-right laws of the United States." *Wade v. Lawder*, 165 U. S. 624, and cases cited. See also *Lamson v. Martin*, 159 Mass. 557.

Further, it is settled that if the invalidity of a patent is incidentally drawn in question in a cause properly cognizable in a State court, the jurisdiction of that court is not thereby ousted. *Pratt v. Paris Gas Light & Coke Co.* 168 U. S. 255. See also in this connection *Jackson v. Allen*, 120 Mass. 64; *Burton v. Burton Stock Exchange Co.* 171 Mass. 437.

The principal argument of the defendants in support of their contention is founded on the clause of the final decree by which the defendants and both of them, together with "all persons acting or claiming under them or any of them" are "perpetually enjoined and restrained from engaging in the business of making, vending, filling, selling and otherwise dealing in and with, the devices and machines covered by Patent No. 725,349 of the United States of America, for a new and improved device in refining engines known as the 'Marshall Perfecting Engine.'"

This argument, put forward by the defendants in several forms, is that a suit for an infringement would have resulted in such an injunction as that contained in the final decree of the case at bar, and for that reason the suit now before us is a suit arising under the patent-right laws of the United States.

77 In the case at bar the right of the plaintiff to an assignment of patent No. 725,349 was and is a right arising out of the contract between the plaintiff and Marshall, dated September 15, 1902. By force of that contract, under the facts which afterwards happened, the plaintiff was entitled to a decree directing both defendants to assign that patent to the plaintiff. As a corollary and as an incident to that relief it was perhaps not improper to enjoin these

defendants from doing acts which the owner of that patent alone can do. However, that may be the decree in the suit now before us is not a decree that the defendants have done certain acts which it is now decided are a violation of the rights secured to the plaintiff by letters-patent. It is a decree that since the plaintiff is the owner of the patent here in question the defendant cannot do those acts which the patent secures to the owner, without deciding what those acts are. In other words, the suit now before us is just what *Excelsior Wooden Pipe Line Co v. Pacific Bridge Co.*, 185 U. S. 282 (relied on by the defendants) was not.

The defendants have also argued that to decide in favor of the plaintiff this court must determine a question of infringement between the patent 342,802 and patent 411,251.

The short answer to that contention is that no such case appears to have been raised in evidence before the master. It does not appear even what patent 411,251, consists in. In that state of the evidence there can be no question of infringement between 342,802 and 411,251. We do not intend to intimate that this objection would have been good if it had appeared that one of these two patents infringed upon the other.

Decree affirmed.

78½ [Endorsed:] Marshall Engine Co. vs. New Marshall Engine Co. Certified copy of the opinion of the Supreme Judicial Court.

79 COMMONWEALTH OF MASSACHUSETTS,
Franklin, ss:

Superior Court. In Equity.

THE MARSHALL ENGINE COMPANY, by ANDREW VAN BLARCOM, Its Receiver,

vs.

THE NEW MARSHALL ENGINE COMPANY and FRANK J. MARSHALL.

Defendants' Application for a Writ of Error.

The above named defendants, The New Marshall Engine Company and Frank J. Marshall, conceiving themselves aggrieved by the final decree, entered on January 16, 1909, in the above entitled proceeding for the reasons and in the particulars set forth in its Assignments of Error filed herewith, pray that the writ of error from the Supreme Court of the United States submitted herewith may be allowed and issued to the end that said errors may be corrected and said decree reversed.

THE NEW MARSHALL ENGINE COM-
PANY AND
FRANK J. MARSHALL,
By EDMUND A. WHITMAN,
FRANK J. LAWLER, *Their Attorneys.*

Filed July 7, 1909.

Supreme Court of the United States.

THE NEW MARSHALL ENGINE COMPANY and FRANK J. MARSHALL
(Original Defendants), Plaintiffs in Error,
against

THE MARSHALL ENGINE COMPANY, by ANDREW VAN BLARCOM, Its
Receiver (Original Plaintiff), Defendant in Error.

Assignment of Errors.

On a final decree of the Superior Court of Massachusetts, holden at Greenfield, within and for the county of Franklin, said decree being entered January 16, A. D. 1909, wherein the said The Marshall Engine Company, a corporation duly organized under the laws of New Jersey, by Andrew Van Blarcom, its Receiver, is the plaintiff, and the said, The New Marshall Engine Company, a corporation duly organized under the laws of Massachusetts, and Frank J. Marshall, both of Montague, Massachusetts, are the defendants:

The said The New Marshall Engine Company and Frank J. Marshall assign as errors in the record of the process and decree aforesaid the following, to-wit:

1. That by the record aforesaid, it appears that the final
81 decree and judgment was given by said Superior Court of the Commonwealth of Massachusetts, sitting in equity, against the said The New Marshall Engine Company and Frank J. Marshall, plaintiffs in error, and in favor of The Marshall Engine Company, defendant in error; whereas by the law of the land and by the Constitution of the United States said decree and judgment ought to have been given for the said The New Marshall Engine Company and Frank J. Marshall against The Marshall Engine Company.

2. That the Supreme Judicial Court of the Commonwealth of Massachusetts erred under said Constitution of the United States and the law of the land in holding and deciding that the decree of the Superior Court sitting in equity in original jurisdiction should be affirmed.

3. That said Superior Court erred in entering said decree because it appears from the record in the case that said court was without jurisdiction, as said cause was cognizable only in the courts of the United States.

4. That said court erred in holding that the matter in controversy between the parties to said cause did not involve any question of infringement of the patents set forth in the bill filed by the plaintiff in said cause, now the defendant in error, and so was not a matter exclusively cognizable in the Courts of the United States under the patent right laws of the United States.

82 5. That said court erred in holding and deciding that it, sitting in equity in original jurisdiction, had either jurisdiction or power to either grant or issue in any respect either the injunction sued for against the plaintiff in error or either of the injunctions

or restraining judgment issued in this suit, whereas it should have held and decided that any such jurisdiction or power was denied by the Constitution of the United States and the laws made in pursuance thereof.

6. That the cause of action set forth in said record in this case is a suit arising under the patent right laws of the United States, and as such was not cognizable in said court, and said court had no jurisdiction to hear and determine any question of infringement of a patent right.

7. That the question presented by the record in said case is as to the construction to be given to the law governing the assignment given in pursuance of Section 4898 of the Revised Laws of the United States, under which the plaintiff, now the defendant in error, claims title, and the question raised therefore was one exclusively for the courts of the United States.

8. That said court erred in holding and deciding that the invention shown in letters patent of the United States with a Serial Number 725,349 was an improvement upon the invention shown in 83 letters patent of the United States with a Serial Number 342,802, whereas it should have held and decided that said first named invention was an improvement upon the invention shown and described in letters patent of the United States with a Serial Number 411,251.

9. That said court erred in holding and deciding that the assignment from the said Frank J. Marshall, plaintiff in error, to the said The Marshall Engine Company, defendant in error, dated October 8, 1904, had any binding effect upon said Frank J. Marshall to compel him to assign to said defendant in error said letters patent numbered 725,349, inasmuch as the letters patent referred to in said assignment had expired prior to the date of said assignment, said question being one exclusively for the cognizance of the Courts of the United States.

10. That the said court in entering the decree above referred to was compelled to determine that the improvement for which letters patent Number 725,349 were issued was an improvement on the invention shown in letters patent numbered 342,802, which matter was not cognizable by said court but was a matter exclusively cognizable by the courts of the United States.

11. That said Superior Court was without jurisdiction to enter said decree or judgment against the plaintiff in error because the matters involved in said proceeding were cognizable only in 84 the courts of the United States for the several reasons herein above set forth and therefore said suit or proceeding by said defendant in error, and the said decree rendered therein, was repugnant to the Constitution of the United States and the laws made in accordance therewith relating to patent rights.

THE NEW MARSHALL ENGINE COM-
PANY AND

FRANK J. MARSHALL,

By EDMUND A. WHITMAN,

FRANK J. LAWLER, *Their Attorneys.*

Filed July 7, 1909.

Citation on Writ of Error.

UNITED STATES OF AMERICA, ss:

The President of the United States to The Marshall Engine Company, by Andrew Van Blarcom, its Receiver, Greeting:

You are hereby cited and admonished to be and appear in the Supreme Court of the United States in the city of Washington, on the* twenty-fourth day of July next, pursuant to a Writ of Error filed in the Clerk's Office of the† Superior Court of the Commonwealth of Massachusetts, holden at Greenfield within and for the County of Franklin wherein The New Marshall Engine Company and Frank J. Marshall are plaintiffs in error, and you are defendant in error, to show cause, if any there be, why the judgment rendered against the said plaintiffs in error as in the said writ of error mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable John A. Aiken Chief Justice of the Superior Court of the Commonwealth of Massachusetts this twenty-fourth day of June, in the year of our Lord one thousand nine hundred and nine.

JOHN A. AIKEN,
Chief Justice Superior Court.

* Not exceeding 30 days from the day of signing.

† Name of Court to which Writ of Error is directed.

Service of the within citation is hereby accepted.

UNITED STATES OF AMERICA,
District of Massachusetts, ss:

BOSTON, July 3rd, 1909.

I hereby certify that on the third day of July, 1909. I served the within citation by giving in hand at Boston to Frederick L. Greene, Attorney for the within named Andrew Van Blarcom Receiver a true and attested copy of this Precept.

JAMES C. RUHL,
Deputy United States Marshal.

Fees.

Service	2.00
Travel06
Copy30
	<hr/>
	\$2.36

[Endorsed:] Marshal's No. 7202. U. S. Marshal's Office, P. O. Building, Boston, Mass. Jul- 3, 1909.

86 COMMONWEALTH OF MASSACHUSETTS,
Franklin, ss:

Superior Court.

I, Clifton L. Field, Clerk of the Superior Court within and for the County of Suffolk and Commonwealth of Massachusetts, hereby certify that the papers hereunto annexed are an exemplification of the Record in the case of Marshall Engine Company, by Receiver, Complainant, vs. New Marshall Engine Company and Frank J. Marshall, Respondents, in said Superior Court determined, and attached thereto and transmitted with said Record are attested copies of the opinion of the full court and the application for writ of error, and the original citation with the return of the officer endorsed thereon.

In witness Whereof, I have hereunto set my hand and affixed the seal of said Court, at Greenfield, this sixteenth day of July, in the year of our Lord one thousand nine hundred and nine.

[Seal of the Superior Court.]

CLIFTON L. FIELD, *Clerk.*

87 (*Bond on Writ of Error.*)

Know all men by these presents, That we, The New Marshall Engine Company, a corporation organized under the laws of the Commonwealth of Massachusetts and doing business in Montague in the County of Franklin, Commonwealth of Massachusetts and Frank J. Marshall of said Montague, as principals, and — — are held and firmly bound unto The Marshall Engine Company, a corporation organized under the laws of the State of New Jersey, by Andrew Van Blarcom, its Receiver, in the full and just sum of Five hundred (500) Dollars to be paid to the said The New Marshall Engine Company through Andrew Van Blarcom, its Receiver its certain Attorney, Executors, Administrators, or Assigns; to which payment well and truly to be made we bind ourselves, our Heirs, Executors, and Administrators, jointly and severally, by these Presents.

Sealed with our seals, and dated the — day of — in the year of our Lord one thousand nine hundred and nine.

Whereas lately at a sitting of the Superior Court of the Commonwealth of Massachusetts at Greenfield within and for the County of Franklin in a suit depending in said Court between The Marshall

Engine Company, by Andrew Van Blarcom, its Receiver,
88 Plaintiff and said The New Marshall Engine Company and

Frank J. Marshall, Defendants, decree was rendered against the said New Marshall Engine Company and Frank J. Marshall and the said The New Marshall Engine Company and Frank J. Marshall having procured a writ of error and filed a copy thereof in the clerk's office of the said Court to reverse the judgment in the aforesaid suit, and a citation directed to the said The Marshall Engine Company by Andrew Van Blarcom, its Receiver citing and admonishing it to be and appear at a Supreme Court of the United

States to be holden at Washington on the second Monday of October next:

Now the condition of the above obligation is such, that if the said The New Marshall Engine Company and Frank J. Marshall shall prosecute their said writ of error to effect, and answer all damages and costs, if they fail to make their plea good, then the above obligation to be null and void; otherwise to remain in full force and virtue.

Signed, sealed and delivered in presence of

89	NEW MARSHALL ENGINE CO.	[SEAL.]
	F. J. MARSHALL, <i>Treas.</i>	
	FRANK J. MARSHALL.	[SEAL.]
	EDWARD D. GOLAND.	[SEAL.]
	ALEXANDER GIBSON.	[SEAL.]
	JAMES A. MULLEN.	[SEAL.]

Approved:

JOHN A. AIKEN,
Chief Justice of the Superior Court.

90 COMMONWEALTH OF MASSACHUSETTS,
Franklin, ss:

I, Edward D. Goland, of Greenfield, in the County of Franklin and Commonwealth of Massachusetts, on oath, depose and say, that I have Real Estate in said Greenfield valued at Twenty Eight Hundred (\$2800) Dollars, that the same is subject to a mortgage of Eight Hundred Dollars (\$800.00) which is all the incumbrance upon said property.

Witness my hand this twenty second day of June, A. D. One Thousand Nine Hundred and Nine.

EDWARD D. GOLAND.

Subscribed and Sworn to, before me this twenty second day of June, A. D. One Thousand Nine Hundred and Nine.

HENRY D. BARDWELL,
Justice of the Peace.

91 COMMONWEALTH OF MASSACHUSETTS,
Franklin, ss:

I Alexander Gibson of Turners Falls, in county of Franklin and Commonwealth of Massachusetts, on oath dispose and say, that I have Real Estate in said Turners Falls worth \$3600.00 (Thirty six hundred dollars) on which there is a mortgage of Three Hundred Dollars (\$300.00) and that the same stands in my name, and there is no other incumbrances upon it.

Witness my hand this twenty second day of June, A. D. One Thousand Nine Hundred and Nine.

ALEXANDER GIBSON.

Subscribed and Sworn to, before me, this twenty second day of June One Thousand Nine Hundred and Nine.

HENRY D. BARDWELL,
Justice of the Peace.

Filed July 7, 1909.

92 A true copy of the bond.

In Witness Whereof I hereto set my hand and affix the seal of said Court, at Greenfield, this seventeenth day of July, in the year of our Lord one thousand nine hundred and nine.

[Seal of the Superior Court.]

CLIFTON L. FIELD, *Clerk.*

Endorsed on cover: File No. 21,774. Massachusetts, Superior Court. Term No. 107. The New Marshall Engine Company and Frank J. Marshall, plaintiff in error, vs. The Marshall Engine Company, by Andrew Van Blarcom, its Receiver. Filed July 27th, 1909. File No. 21,774.

19

Office Supreme Court, U. S.
FILED.

DEC 15 1911

JAMES H. McKENNEY,
CLERK.

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1911.

No. 107.

THE NEW MARSHALL ENGINE COMPANY AND FRANK
J. MARSHALL, PLAINTIFF IN ERROR

vs.

THE MARSHALL ENGINE COMPANY, BY ANDREW
VAN BLARCOM, ITS RECEIVER

IN ERROR TO THE SUPERIOR COURT OF MASSACHUSETTS

PLAINTIFF'S BRIEF

STATEMENT OF THE CASE

This is a bill in equity brought by the Marshall Engine Co., of New Jersey, by its receiver, against the New Marshall Engine Co., a Massachusetts corporation, and Frank J. Marshall, of Montague, in the County of Franklin, Massachusetts.

The respondents filed a motion to dismiss for want of jurisdiction. The motion was overruled and an appeal taken to this court.

Bill is dated October 21, 1905, and the 8th, 9th, 10th and 11th allegations contained therein are as follows:

Eighth Allegation:

"And the plaintiff further shows upon information and belief that heretofore and before the first day of June, 1886, the said Frank J. Marshall had invented a certain new and useful improvement in refining engines, which had not previously been known

or used by others and was not in public use or on sale with his consent or allowance; that the said Frank J. Marshall thereupon on and the twelfth day of February, 1886, made application in the form prescribed by law praying that Letters Patent might be issued to him therefor, and did in other things comply with the statutes of the United States in such case made and provided and such proceedings were thereupon had, that the United States of America did issue its Letters Patent under the seal of the patent office serial No. 342,802 and bearing date of June first, 1886; whereby it granted according to law unto the said Frank J. Marshall, his heirs and assigns, full and exclusive right and liberty of making, constructing, using and vending to others to be used said improvement in refining engines, a description whereof was annexed to and made a part of said Letters Patent for the term of seventeen years from the date thereof, to which said Letters Patent, or a duly certified copy thereof, now here, ready to be produced, the plaintiff begs to refer."

Ninth Allegation:

"And the plaintiff further shows upon information and belief that subsequent to the issuing of the said Letters Patent first aforesaid, but prior to the fourteenth day of April, 1903, the said Frank J. Marshall had invented a certain further new and useful improvement in refining engines, which was an improvement on the invention or improved refining engine described in the specifications attached to the said Letters Patent first aforesaid, which had not previously been known or used by others, and was not in public use or on sale with his consent or allowance; that the said Frank J. Marshall thereupon and on the sixteenth day of July, 1902, made application in the form prescribed by law, praying that Letters Patent might be issued therefor, and did in other things comply with the statutes of the United States, in such case made and provided, and thereupon the United States of America did issue its Letters Patent under the seal of the patent office, serial No. 725,349 and bearing date of April 14, 1903, whereby it granted according to law unto the said Frank J. Marshall, his heirs and assigns, full and exclusive right and liberty of making, constructing and using, and vending to others to be used, the said improvement in refining engines, a description whereof is annexed to and made part of the said Letters Patent for the term of seventeen years from the date thereof to which said Letters Patent or a

certified copy thereof, now here ready to be produced, the plaintiff begs to refer."

Tenth Allegation:

"And the plaintiff further shows, upon information and belief, that on or about the eighth day of October, 1904, the said Frank J. Marshall, upon the request and at the cost of the said 'Marshall Engine Company,' and with the express intention and purpose of vesting absolutely in the said company, its successors and assigns, any and all patent rights and interests secured to the said company by the assignment hereinbefore referred to, marked Exhibit A, and more particularly speaking, any and all improvements at any time heretofore made by the said Frank J. Marshall upon the Letters Patent of the United States first aforesaid, and in and to any and all inventions of the said Frank J. Marshall, in any way relative to or connected with, the said refining engine known as the 'Marshall Perfecting Engine,' and such Letters Patent of the United States as might be issued therefor, duly assigned, by an instrument in writing, a copy of which is hereto annexed and made a part hereof, marked Exhibit B, to the said 'Marshall Engine Company,' its successors and assigns, all his right, title and interest in and to 'Letters Patent of the United States of America, for an improvement in refining engines, which Letters Patent are numbered 342,802, and all further improvements thereon and renewals of the same,' which said assignment was duly recorded in the Patent Office of the United States, at Washington, on the tenth day of October, 1904."

Eleventh Allegation:

"And the plaintiff further shows upon information and belief that the improvements as made by the said Frank J. Marshall, and for which the Letters Patent last aforesaid were issued to him, were improvements upon the said refining engine described in and secured to the said Frank J. Marshall, his heirs and assigns, by the Letters Patent first aforesaid and assigned to the said Marshall Engine Co., as aforesaid, and that the said Marshall Engine Co. by virtue of the assignments aforesaid, has the exclusive right to make, construct, use and vend such improvements and improved refining engines within the United States of America, and is entitled to an assignment of the same for such territory in the usual form."

To which the defendant answers as follows:

Eighth Allegation:

"The defendants admit the allegations contained in the eighth paragraph of the plaintiff's bill."

Ninth Allegation:

"The defendants deny the allegations contained in the ninth paragraph of the plaintiff's bill, except that the United States of America did issue its Letters Patent under the seal of the patent office serial No. 725,349, bearing date of April 14, 1903, as alleged, which we admit."

Tenth Allegation:

"As to the allegations contained in the tenth paragraph of the plaintiff's bill, the defendants neither affirm nor deny, but leave the plaintiff to prove the same."

Eleventh Allegation:

"The defendants deny the allegations contained in the eleventh paragraph of the plaintiff's bill."

Marshall Engine Co., of New Jersey, was incorporated September 13, 1902. On June 13, 1905, a receiver of the Marshall Engine Co., of New Jersey, was appointed by the courts of New Jersey for the purpose of demanding, suing for, collecting, preserving and taking into possession all the property, effects and choses in action of said company.

August 21, 1905, a decree appointing an ancillary receiver upon the filing of his bond was made by the Superior Court for Franklin County and the ancillary receiver filed his bond September 2, 1905.

New Marshall Engine Co., one of the defendants, was incorporated June 21, 1905.

Frank J. Marshall, on June 1, 1886, received from the United States Letters Patent No. 342,802 for an alleged new and useful improvement in pulp-beating engines; the patent expiring June 1, 1903.

E. R. Marshall received from the United States Letters Patent No. 411,251 for an alleged new and useful improvement in pulp-beating engines on September 17, 1889.

Frank J. Marshall applied for and received from the United States on the 14th day of April, 1903, Letters Patent No. 725,349 for an alleged new and useful improvement in pulp-beating engines, which was an improvement on patent No. 411,251 granted September 17, 1889, to E. R. Marshall and embodied features which were not patentable, but which were shown in patent No. 342,802, granted June 1st, 1886, to Frank J. Marshall.

On September 15, 1902, an agreement was drawn up between Frank J. Marshall and the Marshall Engine Co., of New Jersey, for the sale and transfer of patent No. 342,802 granted in 1886, and said Marshall was to receive therefor certain stock in said company; that said agreement never was delivered by said Marshall and never was recorded in the Patent Office at Washington; that on October 8, 1904, said Frank J. Marshall made an assignment of patent No. 342,802 granted to him in 1886 with all improvements thereon and all renewals of the same, said patent No. 342,802 having expired on June first, 1903; that on June 22, 1905, Frank J. Marshall made an assignment of patent No. 725,349 to the New Marshall Engine Co., a corporation organized under the laws of Massachusetts.

The claim of the Marshall Engine Co., of New Jersey, is based upon the assertion that patent No. 725,349 is an improvement on patent No. 342,802 granted to Frank J. Marshall in 1886.

The petitioner sets up a right under the patent laws as ground for a recovery, the case of the Marshall Engine Co., of New Jersey, being based upon the assertion that patent No. 725,349 is an improvement on patent No. 342,802, granted to Frank J. Marshall in 1886; and claims the exclusive right to make, construct, use and vend perfecting engines manufactured under patent No. 725,349, within the United States of America. And the principal redress asked for in its prayer is that the New Marshall Engine Company, its successors or assigns, or Frank J. Marshall, or both of them, may be enjoined and restrained from infringing on patent No. 725,349 throughout the United States of America.

The defendants claim that patent No. 725,349 is what it claims to be in said patent, an improvement upon said patent No. 411,251, granted to E. R. Marshall in 1889, and is, in fact, what is called a utility patent.

The defendants deny that the patent No. 725,349 is in fact

as well as in law, an improvement upon patent No. 342,802 granted in 1886 to F. J. Marshall.

BRIEF OF THE FACTS

At the time of the incorporation of the Marshall Engine Co., of New Jersey, in 1902, Frank J. Marshall was carrying on the business of making pulp-beating engines, known as the Marshall Perfecting Engines, at Turners Falls, Massachusetts.

Shortly after the incorporation of said company, he turned over to said company, the business, which he had formerly been conducting, the making of the Marshall Perfecting Engines, and opened an office in New York City. The company had no factory. The business of the Marshall Engine Co., of New Jersey, was carried on as follows: orders for Marshall Engines would be solicited and received, and the Marshall Engine Co., upon the receipt of said orders, contracted with the Turners Falls Machine Co. at Turners Falls to manufacture said engines, and upon the machine being manufactured, the Marshall Engine Co. would receive the machine, if satisfactory, deliver it to the customer, who paid the Marshall Engine Co. for the same. That all engines for which orders were taken and which were sold and delivered by the Marshall Engine Co., of New Jersey, were made under the patent granted to Frank J. Marshall in 1886 and numbered 342,802. The Marshall Engine Co., of New Jersey, never solicited, ordered, made or handled in any way any pulp-beating engines made under the patent granted to Frank J. Marshall in 1903 and numbered 725,349 except upon royalties agreed to be paid to Frank J. Marshall.

That the books of the Marshall Engine Co., of New Jersey, show items of credit to Frank J. Marshall for royalties due him on account of engines made under patent No. 725,349.

The Marshall Engine Co., of New Jersey, ceased to transact any business in New York some time during November, 1904.

The Marshall Engine Co. manufactured a Marshall Engine with the improvements for which a patent was granted April 14, 1903, under patent No. 725,349, under a royalty paid to Frank J. Marshall; that on October 8, 1904, said Frank J. Marshall made an assignment of patent No. 342,802 granted to him in 1886 with all improvements thereon and renewals of the same, said patent

No. 342802 having expired on June 1, 1903; that said Marshall Engine, Co. was still manufacturing engines under patent No. 725,349 and in the assignment of October 8, 1904, which was duly recorded at the patent office at Washington, no mention or reference is made to said patent and nothing was said by any of the parties at the time whereby it was understood or expected that the assignment of patent No. 342,802 with all improvements and renewals would include patent No. 725,349. It was distinctly understood between the parties that patent No. 725,349 was for an alleged new and useful improvement on patent No. 411,251 granted to E. R. Marshall September 17, 1889, and was not at any time considered by the parties as or for an alleged improvement on account of patent No. 342,802 granted to Frank J. Marshall in 1886.

Patents for various makes of pulp-beating engines as well as sewing machines and watches are numerous.

It states specifically that it is an assignment of patent No. 342,802 granted to Frank J. Marshall in 1886 with all improvements and renewals of the same. The patent of April 14, 1903, granted to Frank J. Marshall for an alleged improvement on patent No. 411,251 granted to E. R. Marshall in 1889 shows distinctly what it is.

The court in order to decide the case must first decide a patent case and interpret the assignment given, under the United States Laws. The point or question in issue is on the interpretation of the inventions and the construction to be placed upon section 4898, R. L. U. S., and this question is not a collateral issue with the question of the validity of the contract, but is the main and only issue, and over such cases the United States Courts alone have jurisdiction.

This bill is based primarily on the allegations made by the plaintiff in the eighth, ninth, tenth and eleventh paragraphs of its bill, wherein it states that the patent granted to Frank J. Marshall in 1903 and numbered 725,349 is an improvement on the patent granted to said Marshall in 1886 and numbered 342,802, which allegation is expressly denied and issue taken thereon.

LAW POINTS

JURISDICTION

The United States courts shall have exclusive jurisdiction of all *Cases* arising under the patent-right and copyright laws of the United States.

U. S. Revised Laws, Chapter 12, Section 711; also
U. S. Revised Laws, Sections 4884-4886.

FIRST PROPOSITION

In allegation 9 of the plaintiff's bill the plaintiff alleges that the defendant, Frank J. Marshall, invented a certain valuable improvement in refining engines, which was an improvement upon the engine for which patent No. 342,802 was granted to said Marshall.

To the above allegation the defendants answer in denial, except that the United States of America did issue its Letters Patent under the seal of the Patent Office, serial No. 725,349, bearing date of April 14, 1903, as alleged, which they admit; one question here presented for your consideration is as to the construction to be given to the law governing the assignment under which the plaintiff claims title, which clearly makes it a case for the United States courts.

Littlefield vs. Perry. 21 Wall. 205.

This clearly puts in issue the nature and scope of the patent above referred to, and involves an inquiry into the nature and scope of the invention.

Aberthaw Construction Co. vs. Ernest L. Ransome,
192 Mass. 434, 439.

SECOND PROPOSITION

There is a clear distinction between a case and a question under the patent laws. The former arises when the plaintiff in

his opening pleading sets up a right under the patent laws as a ground for recovery.

Pratt vs. Paris Gaslight & Coke Co. 168 U. S. 255,
at 257.

In paragraph 10 of the plaintiff's bill he sets up a right under a certain alleged assignment given in pursuance of Sec. 4898 of the R. L. of the United States, upon which allegation issue is joined.

If the assignee to a patent sets up his patent he thereby puts the title in issue, and even if it is denied by the defendant this does not make it a suit upon the contract, but it still remains a suit for infringement of a patent.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S.
291.

If the patent is involved it carries with it the whole case.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S.
282, at 292.

The character of a case is determined by the question involved. If it appears that some right will be defeated by one construction of an United States law, or sustained by an opposite construction of such law, a case thereby arises of which the United States courts alone have jurisdiction.

Pratt vs. Paris Gaslight & Coke Co. 168 U. S. 255.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S.
282-286.

Starin vs. New York. 115 U. S. 257.

THIRD PROPOSITION

In paragraph 11 the plaintiff alleges that certain improvements made by the defendant, Frank J. Marshall, and for which Letters Patent, No. 725,349, were issued to him, and which purports to be an improvement upon a certain patent, No. 411,251, granted to E. R. Marshall, September 17, 1889, were improvements upon an engine, for which patent No. 342,802 was issued to the defendant, Frank J. Marshall, of which patent No. 342,802 the plaintiff has an assignment.

To the above allegation the defendants deny said allegation, and issue is joined, which brings in issue the question of the title to said patent No. 725,349, and also makes it necessary to go into the nature and scope of the engines covered by said patent, and in such cases the United States courts alone have jurisdiction.

Aberthaw Construction Co. vs. Ernest L. Ransome,
192 Mass. 434, at 439.

To determine as to whether this patent is an improvement upon the other it is necessary to inquire whether the improvement in controversy, for which Letters Patent No. 725,349 was issued, of which an assignment is claimed under an assignment of patent No. 342,802, is infringed upon by the defendant making said improvements. This involves the construction of patents, and the United States courts alone have jurisdiction.

Littlefield vs. Perry. 21 Wall. 205, at 219.

FOURTH PROPOSITION

Sec. 4898. "Every patent or interest therein shall be assignable in law, by an instrument in writing; and the patentee or his assigns or legal representatives may, in like manner, grant and convey an exclusive right under his patent to the whole or any specified part of the United States. An assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from the date thereof."

Revised Laws. Sec. 4898.

The plaintiff claims in paragraph 10 of his bill, title to patent No. 725,349 under an assignment of patent No. 342,802 given by Frank J. Marshall on October 8, 1904, which patent had expired June 1, 1903.

The defendants neither admit nor deny this allegation, but leave the plaintiff to prove it. Thereby the question is clearly raised whether said Sec. 4898 shall be construed to mean patents which have expired, with the improvements thereon, clearly

making a case of which the United States courts alone have jurisdiction.

INFRINGEMENTS

The plaintiff in his prayer asks for relief by having the defendants enjoined from infringing upon patent No. 725,349. This again clearly makes this a case arising under the patent laws.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S. 282, at 291.

To determine whether an injunction shall issue as prayed for it is necessary to inquire whether there has been an infringement, and that involves the construction of patents.

It is well established that assignees may sue in the United States courts for infringements.

Littlefield vs. Perry. 21 Wall. 205, at 219.

An injunction against future infringements is prayed for in this case, and thereby arises a case under the patent laws.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S. 282, at 291.

In allegation 11 the plaintiff claims that by Letters Patent first aforesaid, No. 342,802, and assigned to the Marshall Engine Co., as aforesaid, that said Marshall Engine Co., by virtue of the assignments aforesaid, has the exclusive title and right to make, use, and vend the improvements under patent No. 725,349 within the United States of America, and the prayer of the plaintiff for an injunction is for the purpose of preventing the defendants from infringing on said patent.

Can it be said that a state court can issue an injunction imposing such restraint as is here asked for, protecting the plaintiff in making, using, vending in the United States?

Does not this make the defendants liable to a succession of suits in each State?

The master, on page 16 of his report as printed, finds that

patent No. 725,349 is an improvement on the engine described in Letters Patent No. 342,802, basing his finding upon evidence of the nature and scope of the patent.

See page 16 of his report as printed.

Even if the complaint standing by itself makes out a case of jurisdiction, it will be taken away if the answer sets up a case of a right under the patent laws.

Robinson vs. Anderson. 121 U. S. 522.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S. 282, at 287, 288.

This bill clearly and distinctly puts in issue:

First. The title of the plaintiff which is claimed by an assignment from one of the defendants.

Second. The validity of the patent.

Third. An infringement. And prays for an injunction to prevent an infringement.

The answer raises an issue on all three of the foregoing allegations, and thereby arises a case under the patent laws.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S. 282, 292.

A suit in which the relief sought is an injunction against infringing on a patent is one arising under the patent laws of the United States, although it incidentally involves a determination of the question of the ownership of the patent.

Atherton Machine Co. vs. Atwood-Morrison Co. 102 Fed. Rep. 949.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S. 282, at 294.

The remedy sought involves the right of the defendant to

use the patent, in other words, it is a suit for infringement, of which the Federal courts alone have jurisdiction.

Excelsior W. P. Co. vs. Pacific Bridge Co. 185 U. S. 282, at 294, 295.

Cases arising under the laws of the United States, are such as grow out of the legislation of Congress, whether they constitute the right or privilege, or claim or protection, or defense of the party, in whole or in part, by whom they are asserted.

Tennessee vs. Davis. 100 U. S. 257, at 264.

Story on the Constitution. Sec. 1647.

Cohens vs. Virginia. 6 Wheat. 82.

Peutz, Jr. vs. Bransford. Bransford vs. Peutz, Jr. 32 Fed. Rep. 318.

White vs. Rankin. 144 U. S. 628.

Adriance Pratt & Co. vs. McCormick Harvesting Machine Co. 55 Fed. Rep. 256.

Walter A. Wood Harvester Co. vs. Minneapolis-Easterly Harvester Co. 61 Fed. Rep. 256.

Young Reversible Lock-Nut Co. vs. Young Lock-Nut Co. et al. 72 Fed. Rep. 60.

EDMUND A. WHITMAN,
LYMAN W. GRISWOLD,
FRANK J. LAWLER,

Attorneys for Plaintiff in Error.

No. 107

THE NEW MARSHALL ENGINE COMPANY

AND

FRANK J. MARSHALL

PLAINTIFF IN ERROR

vs.

THE MARSHALL ENGINE COMPANY

BY

ANDREW VAN BLARCOM, ITS RECEIVER

IN ERROR TO THE SUPERIOR COURT OF MASSACHUSETTS

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1911

Supreme Court of the United States.

OCTOBER TERM, 1911.

No. 107.

Office Supreme Court, U. S.
FILED,

DEC 8 1911

JAMES H. McKENNEY,
CLERK

THE NEW MARSHALL ENGINE COMPANY
AND FRANK J. MARSHALL,
Plaintiffs in Error,

vs.

THE MARSHALL ENGINE COMPANY, by
ANDREW VAN BLARCOM, Its Receiver,
Defendant in Error.

BRIEF.

WALTER H. BOND,
Attorney for Defendant In Error,
32 Broadway,
New York City.

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SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1911.

THE NEW MARSHALL ENGINE COM-
PANY and FRANK J. MARSHALL,
Plaintiffs In Error,

AGAINST

THE MARSHALL ENGINE COMPANY,
by ANDREW VAN BLARCOM, its re-
ceiver,
Defendant In Error.

No. 107.

STATEMENT.

This is a suit brought by the Receiver of the Marshall Engine Company to compel the assignment to it of United States Letters Patent, No. 725,349, for an improvement in pulp-beating engines.

The plaintiff in error, Frank J. Marshall, was granted Letters Patent, No. 348,802, for an improvement in pulp-beating engines, on June 1st, 1886 (Fol. 41). On September 15th, 1902, he entered into a written contract (Ex. A.), with the Marshall Engine Company, the defendant in error, wherein and whereby he sold to the said company the said patent, "and all improvements thereon and renewals of the same," and "interests to which the vendor is entitled in connection with such business. * * * Also all other

property and rights of whatsoever nature or kind used by the vendor in its said business." (Fol. 42). *At the time of the execution of the said agreement the said Frank J. Marshall (1) had pending an application for an improvement in pulp-beating engines, on which the said Letters Patent, No. 725,349, were issued in 1903 (Fol. 42), and (2) had already manufactured four engines thereunder (Fol. 43). That on the 8th day of October, 1902 (one year and four months after Letters Patent #342,802 had expired), the said Frank J. Marshall, at the request of the said Marshall Engine Company, executed and delivered to it an assignment, in pursuance of a covenant of further assurance contained in the said agreement of September 15th, 1902, which said assignment was duly recorded in United States Patent Office at Washington, on the 10th day of October, 1902. (Fol. 45).*

That between the 15th day of September, 1902, and the 13th day of June, 1905, at which time a receiver of the said Marshall Engine Company was appointed, the said Marshall Engine Company manufactured between nine and ten engines under the said Letters Patent, No. 725,349. (Fol. 43.)

That on or about the 21st day of June, 1905, the said Frank J. Marshall incorporated the plaintiff in error, the New Marshall Engine Company, under the laws of Massachusetts, and on or about the 22nd day of June, 1905, purported to assign Letters Patent, No. 725,349, to the said corporation. (Fol. 44.)

That on the 6th day of April, 1907, the said

Frank J. Marshall and New Marshall Engine Company, moved to dismiss this suit upon the ground of lack of jurisdiction, claiming that the questions raised were cognizable only in the United States Courts. (Fol. 53.) The said motion was overruled in the Superior Court of Massachusetts (Fol. 54), and, on appeal, its decree was affirmed by the Supreme Court of Massachusetts (Fol. 72), and it is from this judgment that the said plaintiffs in error have appealed to this Court.

FIRST POINT.

THE STATE COURTS HAD JURISDICTION OF THE CASE AT BAR, INASMUCH AS IT WAS MERELY AN ATTEMPT TO ENFORCE RIGHTS ARISING EX CONTRACTU.

In the case of *Victor Talking Mach. Co. v. The Fair*, 123 Fed., 424, the Circuit Court of Appeals said:

“Concerning jurisdiction: When a contract is made respecting a right under a patent, and the parties get into litigation, confusion has sometimes arisen over the question whether the cause of action originates in the contract, or in the patent laws. The test is this: If the plaintiff is seeking a judgment for debt or damages, or a decree for cancellation *or specific performance*, on account of the defendant's breach of his covenants, the cause of action arises out of the contract; and, though the determination of issue of breach or no breach may involve the interpretation of the patent and of the prior act, the insistence of the defendant that his device, according to the true con-

struction of the patent and of the prior act, is not within the patent right granted him in the contract, cannot change the nature of the action."

This is a suit for the specific performance of an agreement (Ex. A.), dated the 15th day of September, 1902, and entered into between the Marshall Engine Company, the defendant in error, and Frank J. Marshall, the plaintiff in error, and arises on account of the breach by the said Frank J. Marshall of his covenants in the said agreement contained, to wit: to transfer to the said Marshall Engine Company, Letters Patent No. 725,749.

It is well settled that "where a suit is brought on a contract of which a patent is the subject matter, either to enforce such contract or to annul it, the case arises on the contract or out of the contract and not under the patent-right laws of the United States."

Wade v. Lawder, 165 U. S., 624.

It is equally well settled that if the invalidity of a patent is incidentally drawn in question in a cause properly cognizable in a State court, the jurisdiction of that court is not thereby ousted.

Pratt v. Paris Gas Light & Coke Co.,
168 U. S., 255.

Actions to compel the specific performance of contracts where the question was whether the improvement for which letters patent were issued is an improvement on a former improvement, have been somewhat common in the State Courts, and no question seems to have been raised as to the jurisdiction of those courts.

See

McFarland *v.* Stanton Mfg. Co., 53 N. J. Eq., 649.

Biskey Mfg. Co. *v.* Jones, 71 Conn., 113.

Harris *v.* Wallace Mfg. Co., 95 N. E. (Ohio), 559.

Bates Machine Company *v.* Bates, 192 Ill., 138.

SECOND POINT.

INASMUCH AS THE EQUITABLE TITLE TO LETTERS PATENT NO. 725,349 PASSED BY THE AGREEMENT OF SEPTEMBER 15TH, 1902, IRRESPECTIVE OF THE QUESTION AS TO WHETHER LETTERS PATENT, NO. 725,349 ARE AN IMPROVEMENT ON LETTERS PATENT NO. 342,802, IT IS NOT NECESSARY TO FIND THAT LETTERS PATENT NO. 725,349 ARE AN IMPROVEMENT ON LETTERS PATENT, NO. 342,802, IN ORDER TO AFFIRM THE JUDGMENT OF THE SUPREME COURT OF MASSACHUSETTS; AND THE STATE COURTS HAD UNQUESTIONABLE JURISDICTION OF THE SUIT TO ENFORCE THE SPECIFIC PERFORMANCE OF THE SAID AGREEMENT.

In Exhibit A, attached to the complaint, the plaintiff in error, Frank J. Marshall, bound himself to assign to the Marshall Engine Company, the defendant in error, (1) "United States Letters Patent No. 342,802, for an improvement in Engines issued to Frank J. Marshall, June 1st, 1886, and all improvements thereon and renewals of the same," (2) and "interests in which the vendor is entitled in connection with such business" * * * and "all other property

and rights of whatsoever nature or kind used by the vendor in its said business."

Leaving out of consideration the said clause (1), which we have already considered, *the question is whether under the said clause (2) the parties intended to include Letters Patent No. 725,349.*

As was well said by the Supreme Court of Connecticut in a somewhat similar case (*Biskey Mfg. Co. v. Jones*, 71 Conn., 113):

"It is not enough that they intended to include them. They must also have expressed that intention in the agreement, but, in determining whether they have expressed such an intention, the agreement may be read in the light of the facts and circumstances under which it was made, as disclosed upon the record."

When the said agreement is so read we respectfully submit that under the said clause (2) it includes the said Letters Patent No. 725,349.

The record shows the following facts: that on the 1st day of June, 1886, the said Frank J. Marshall, was granted United States Letters Patent No. 342,802, for an improvement in pulp-beating engines (Fol. 41); that from the year 1887, to on or about the 15th day of September, 1902, the said Frank J. Marshall was engaged in the business of manufacturing, buying, selling and otherwise dealing in and with a pulp-beating engine manufactured under the said patent by the name of "Marshall Perfecting Engine" (Fol. 42); that on or about the 13th day of September, 1902, the said Frank J. Marshall incorporated the said Marshall Engine Company under the laws

of the State of New Jersey (admitted by answer), and was on the 15th day of September, 1902, elected a director thereof, and was on the 17th day of September, 1902, elected the treasurer thereof (Fol. 42); that on the 15th day of September, 1902, the said Frank J. Marshall entered into the said written agreement with the said Marshall Engine Company (Ex. A), (Fol. 42); that the said agreement shows that the *first property* therein transferred was the said Letters Patent No. 342,802, and that the *second property* therein transferred was the good-will of the business carried on by the said Frank J. Marshall, the head-office being located at #309 Broadway, New York City; *that at the time of the execution of the said agreement, the said Frank J. Marshall had no patents except Patent No. 342,802, and no plant, machinery, furniture, licenses or stock in trade; that the said Frank J. Marshall had copy books, cash books and ledger, and some debts due to him, and, that he had pending, an application for a patent for an improvement in pulp-beating engines, on which application United States Letters Patent No. 725,349 was issued in 1903 (Fol. 42); that prior to the execution of the said agreement four engines had been manufactured embodying the improvement described in the patent of 1903 (Fol. 43); that the said Frank J. Marshall, and his nominees, received from the said Marshall Engine Company, in consideration of the transfer of the said property and rights, common stock of the said Marshall Engine Company of the par value of Forty-Five Thousand Dollars (\$45,000) (Fol. 43); that between Septem-*

ber 15th, 1902, and June 13th, 1905, at which time a receiver of the said Marshall Engine Company was appointed, either nine or ten engines embodying the improvement described in Letters Patent, No. 725,349, were manufactured by the said Marshall Engine Company (Fol. 43); that on the 8th day of October, 1904, and at the request of other parties interested in the said Marshall Engine Company, the said Frank J. Marshall executed and acknowledged the paper annexed to the complaint marked "B," which was duly recorded in the United States Patent Office October 10th, 1904 (Fol. 45); and that Letters Patent No. 342,802 and Letters Patent No. 725,349 are both for improvements in pulp-beating engines (Fol. 46).

"It must be treated as settled that before the granting of a patent, an inventor has a qualified property in his invention which is assignable."

Burton v. Burton Stock Car Co., 171
Mass., 437,438, and cases cited.

Cook v. Sterling Electric Co., 118 Fed.,
45.

In the case of Railroad Company v. Trimble, 10 Wall., 367, this Court held that a deed by which a party conveyed "*all his property and estate, whatsoever and wheresoever, of any kind and description,*" carried any and all *patent rights* and extensions owned by the party at the time of the execution of the instrument.

And we submit that inasmuch as the said pending application upon which Letters Patent No. 725,349 were granted in 1903, was for an im-

provement in pulp-beating engines, and inasmuch as four engines had been manufactured thereunder prior to the said agreement of September 15, 1902, *the said pending application was "property and rights" within the meaning of the said clause (2).*

And this is borne out by the construction put upon the said agreement by the said Marshall Engine Company and Frank J. Marshall, up to the time of the appointment of the receiver on June 13th, 1905, it appearing that during that time, nine or ten engines were manufactured by the said Marshall Engine Company under the said Letters Patent, No. 725,349.

In the case of *Topliff v. Topliff*, 122 U. S., 121, this Court said:

"The operations of the parties in the manufacture and sale of the article were carried on, and continued to enlarge and prosper, and became profitable; and the parties throughout acted upon the assumption and understanding that the article they manufactured was the article contemplated by the contract between them. If there were any doubt or ambiguity arising upon the words employed in the clause of the contract under consideration, they would be effectually removed by this practical construction continuously put upon them by the conduct of the parties for so long a period.

In cases where the language used by the parties to the contract is indefinite or ambiguous, and hence of doubtful construction, the practical interpretation of the parties is entitled to great, if not controlling influence."

And this is further borne out by the fact that

on the 8th day of October, 1904 (one year and four months after Letters Patent No. 342,802 had expired), the said Frank J. Marshall, at the request of the said Marshall Engine Company, executed and delivered to the said Marshall Engine Company, an assignment (Ex. B, annexed to the complaint) in pursuance of a covenant of further assurance contained in the said agreement of September 15th, 1902, which said assignment was duly recorded in the United States Patent office on the 10th day of October, 1904.

And in this connection we further submit that all of the allegations in Paragraph X of the complaint contained, are admitted by Paragraph 10 of the answer, *in that the defendants did not declare their ignorance so that they "could neither admit nor deny the same."*

Haines v. Ryder, 100 Mass., 216.

We submit that to hold that the equitable title to Letters Patent, No. 725,349 did not pass to the said Marshall Engine Company by reason of the said agreement of September 15th, 1902, would be to hold that the only property transferred was Letters Patent No. 342,803, which were to expire on June 1st, 1903; and that the said Frank J. Marshall was to receive capital stock of the par value of Forty-five Thousand Dollars (\$45,000) therefor.

We further submit that if the equitable title to Letters Patent, No. 725,349, passed by reason of the said agreement, the suit at bar "arises on the contract or out of the contract," and that the

State Courts had unquestionable jurisdiction thereof.

Wade v. Lauder, 165, U. S., 624.

THIRD POINT.

IT IS RESPECTFULLY SUBMITTED THAT THE JUDGMENT OF THE SUPREME COURT OF MASSACHUSETTS SHOULD BE AFFIRMED, WITH COSTS.

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